

AMENDED IN SENATE APRIL 18, 2013

SENATE BILL

No. 752

Introduced by Senator Roth

February 22, 2013

An act to amend Sections 10153.2, 11003, 11003.2, 11004.5, 23426.5, and 23428.20 of the Business and Professions Code, to amend Sections 714, 714.1, 782, 782.5, 783, 783.1, 1098, 1133, 1633.3, 2924b, 2955.1, and 4202 of, ~~and~~ to add Part 5.3 (commencing with Section 6500) to Division 4 of, *and to repeal Section 6870 of*, the Civil Code, to amend Sections 86 and 116.540 of the Code of Civil Procedure, to amend Sections 12191, 12956.1, 12956.2, 53341.5, 65008, 66411, 66412, 66424, 66427, 66452.10, and 66475.2 of the Government Code, to amend Sections 13132.7, 19850, 25400.22, 25915.2, 33050, 33435, 33436, 35811, 37630, 50955, 51602, and 116048 of the Health and Safety Code, to amend Section 790.031 of the Insurance Code, to amend Section 2188.6 of the Revenue and Taxation Code, to amend Sections 21107.7, 22651, 22651.05, and 22658 of the Vehicle Code, and to amend Section 13553 of the Water Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

SB 752, as amended, Roth. Commercial and industrial common interest developments.

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments, as defined, but exempts common interest developments that are limited to industrial or commercial uses from specified provisions of the act.

This bill would establish the Commercial and Industrial Common Interest Development Act, which would provide for the creation and

regulation of commercial and industrial common interest developments.
The bill would make various conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 10153.2 of the Business and Professions
2 Code, as amended by Section 2 of Chapter 181 of the Statutes of
3 2012, is amended to read:
4 10153.2. (a) An applicant to take the examination for an
5 original real estate broker license shall also submit evidence,
6 satisfactory to the commissioner, of successful completion, at an
7 accredited institution, of:
8 (1) A three-semester unit course, or the quarter equivalent
9 thereof, in each of the following:
10 (A) Real estate practice.
11 (B) Legal aspects of real estate.
12 (C) Real estate appraisal.
13 (D) Real estate financing.
14 (E) Real estate economics or accounting.
15 (2) A three-semester unit course, or the quarter equivalent
16 thereof, in three of the following:
17 (A) Advanced legal aspects of real estate.
18 (B) Advanced real estate finance.
19 (C) Advanced real estate appraisal.
20 (D) Business law.
21 (E) Escrows.
22 (F) Real estate principles.
23 (G) Property management.
24 (H) Real estate office administration.
25 (I) Mortgage loan brokering and lending.
26 (J) Computer applications in real estate.
27 (K) On and after July 1, 2004, California law that relates to
28 common interest developments, including, but not limited to, topics
29 addressed in the Davis-Stirling Common Interest Development
30 Act (Part 5 (commencing with Section 4000) of Division 4 of the
31 Civil Code) and in the Commercial and Industrial Common Interest
32 Development Act (Part 5.3 (commencing with Section 6500) of
33 Division 4 of the Civil Code).

1 (b) The commissioner shall waive the requirements of this
2 section for an applicant who is a member of the State Bar of
3 California and shall waive the requirements for which an applicant
4 has successfully completed an equivalent course of study as
5 determined under Section 10153.5.

6 (c) The commissioner shall extend credit under this section for
7 any course completed to satisfy requirements of Section 10153.3
8 or 10153.4.

9 SEC. 2. Section 11003 of the Business and Professions Code,
10 as amended by Section 4 of Chapter 181 of the Statutes of 2012,
11 is amended to read:

12 11003. “Planned development” has the same meaning as
13 specified in Section 4175 or 6562 of the Civil Code.

14 SEC. 3. Section 11003.2 of the Business and Professions Code,
15 as amended by Section 5 of Chapter 181 of the Statutes of 2012,
16 is amended to read:

17 11003.2. “Stock cooperative” has the same meaning as
18 specified in Section 4190 or 6566 of the Civil Code, except that,
19 as used in this chapter, a “stock cooperative” does not include a
20 limited-equity housing cooperative.

21 SEC. 4. Section 11004.5 of the Business and Professions Code,
22 as amended by Section 7 of Chapter 181 of the Statutes of 2012,
23 is amended to read:

24 11004.5. In addition to the provisions of Section 11000, the
25 reference in this code to “subdivided lands” and “subdivision”
26 shall include all of the following:

27 (a) Any planned development, as defined in Section 11003,
28 containing five or more lots.

29 (b) Any community apartment project, as defined by Section
30 11004, containing five or more apartments.

31 (c) Any condominium project containing five or more
32 condominiums, as defined in Section 783 of the Civil Code.

33 (d) Any stock cooperative as defined in Section 11003.2,
34 including any legal or beneficial interests therein, having or
35 intended to have five or more shareholders.

36 (e) Any limited-equity housing cooperative, as defined in
37 Section 11003.4.

38 (f) In addition, the following interests shall be subject to this
39 chapter and the regulations of the commissioner adopted pursuant
40 thereto:

(1) Any accompanying memberships or other rights or privileges created in, or in connection with, any of the forms of development referred to in subdivision (a), (b), (c), (d), or (e) by any deeds, conveyances, leases, subleases, assignments, declarations of restrictions, articles of incorporation, bylaws, or contracts applicable thereto.

(2) Any interests or memberships in any owners' association as defined in Section 4080 or 6528 of the Civil Code, created in connection with any of the forms of the development referred to in subdivision (a), (b), (c), (d), or (e).

(g) Notwithstanding this section, time-share plans, exchange programs, incidental benefits, and short-term product subject to Chapter 2 (commencing with Section 11210) are not "subdivisions" or "subdivided lands" subject to this chapter.

SEC. 5. Section 23426.5 of the Business and Professions Code, as amended by Section 17 of Chapter 181 of the Statutes of 2012, is amended to read:

23426.5. (a) For purposes of this article, "club" also means any tennis club that maintains not less than four regulation tennis courts, together with the necessary facilities and clubhouse, has members paying regular monthly dues, has been in existence for not less than 45 years, and is not associated with a common interest development as defined in Section 4100 or 6534 of the Civil Code, a community apartment project as defined in Section 11004 of this code, a project consisting of condominiums as defined in Section 783 of the Civil Code, or a mobilehome park as defined in Section 18214 of the Health and Safety Code.

(b) It shall be unlawful for any club licensed pursuant to this section to make any discrimination, distinction, or restriction against any person on account of age or any characteristic listed or defined in subdivision (b) or (e) of Section 51 of the Civil Code.

SEC. 6. Section 23428.20 of the Business and Professions Code, as amended by Section 18 of Chapter 181 of the Statutes of 2012, is amended to read:

23428.20. (a) For the purposes of this article, "club" also means any bona fide nonprofit corporation that has been in existence for not less than nine years, has more than 8,500 memberships issued and outstanding to owners of condominiums and owners of memberships in stock cooperatives, and owns, leases, operates, or maintains recreational facilities for its members.

(b) For the purposes of this article, “club” also means any bona fide nonprofit corporation that was formed as a condominium homeowners’ association, has at least 250 members, has served daily meals to its members and guests for a period of not less than 12 years, owns or leases, operates, and maintains a clubroom or rooms for its membership, has an annual fee of not less than nine hundred dollars (\$900) per year per member, and has as a condition of membership that one member of each household be at least 54 years ~~old~~ of age.

(c) Section 23399 and the numerical limitation of Section 23430 shall not apply to a club defined in this section.

(d) No license shall be issued pursuant to this section to any club that withholds membership or denies facilities or services to any person on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

(e) Notwithstanding subdivision (d), with respect to familial status, subdivision (d) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subdivision (d) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51, Section 4760, and Section 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (d).

SEC. 7. Section 714 of the Civil Code, as amended by Section 20 of Chapter 181 of the Statutes of 2012, is amended to read:

714. (a) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of, or any interest in, real property, and any provision of a governing document, as defined in Section 4150 or 6552, that effectively prohibits or restricts the installation or use of a solar energy system is void and unenforceable.

(b) This section does not apply to provisions that impose reasonable restrictions on solar energy systems. However, it is the policy of the state to promote and encourage the use of solar energy systems and to remove obstacles thereto. Accordingly, reasonable restrictions on a solar energy system are those restrictions that do

1 not significantly increase the cost of the system or significantly
2 decrease its efficiency or specified performance, or that allow for
3 an alternative system of comparable cost, efficiency, and energy
4 conservation benefits.

5 (c) (1) A solar energy system shall meet applicable health and
6 safety standards and requirements imposed by state and local
7 permitting authorities.

8 (2) A solar energy system for heating water shall be certified
9 by the Solar Rating Certification Corporation (SRCC) or other
10 nationally recognized certification agencies. SRCC is a nonprofit
11 third party supported by the United States Department of Energy.
12 The certification shall be for the entire solar energy system and
13 installation.

14 (3) A solar energy system for producing electricity shall also
15 meet all applicable safety and performance standards established
16 by the National Electrical Code, the Institute of Electrical and
17 Electronics Engineers, and accredited testing laboratories such as
18 Underwriters Laboratories and, where applicable, rules of the
19 Public Utilities Commission regarding safety and reliability.

20 (d) For the purposes of this section:

21 (1) (A) For solar domestic water heating systems or solar
22 swimming pool heating systems that comply with state and federal
23 law, “significantly” means an amount exceeding 20 percent of the
24 cost of the system or decreasing the efficiency of the solar energy
25 system by an amount exceeding 20 percent, as originally specified
26 and proposed.

27 (B) For photovoltaic systems that comply with state and federal
28 law, “significantly” means an amount not to exceed two thousand
29 dollars (\$2,000) over the system cost as originally specified and
30 proposed, or a decrease in system efficiency of an amount
31 exceeding 20 percent as originally specified and proposed.

32 (2) “Solar energy system” has the same meaning as defined in
33 paragraphs (1) and (2) of subdivision (a) of Section 801.5.

34 (e) (1) Whenever approval is required for the installation or
35 use of a solar energy system, the application for approval shall be
36 processed and approved by the appropriate approving entity in the
37 same manner as an application for approval of an architectural
38 modification to the property, and shall not be willfully avoided or
39 delayed.

1 (2) For an approving entity that is an association, as defined in
2 Section 4080 or 6528, and that is not a public entity, both of the
3 following shall apply:

4 (A) The approval or denial of an application shall be in writing.

5 (B) If an application is not denied in writing within 60 days
6 from the date of receipt of the application, the application shall be
7 deemed approved, unless that delay is the result of a reasonable
8 request for additional information.

9 (f) Any entity, other than a public entity, that willfully violates
10 this section shall be liable to the applicant or other party for actual
11 damages occasioned thereby, and shall pay a civil penalty to the
12 applicant or other party in an amount not to exceed one thousand
13 dollars (\$1,000).

14 (g) In any action to enforce compliance with this section, the
15 prevailing party shall be awarded reasonable attorney's fees.

16 (h) (1) A public entity that fails to comply with this section
17 may not receive funds from a state-sponsored grant or loan program
18 for solar energy. A public entity shall certify its compliance with
19 the requirements of this section when applying for funds from a
20 state-sponsored grant or loan program.

21 (2) A local public entity may not exempt residents in its
22 jurisdiction from the requirements of this section.

23 SEC. 8. Section 714.1 of the Civil Code, as amended by Section
24 21 of Chapter 181 of the Statutes of 2012, is amended to read:

25 714.1. Notwithstanding Section 714, any association, as defined
26 in Section 4080 or 6528, may impose reasonable provisions which:

27 (a) Restrict the installation of solar energy systems installed in
28 common areas, as defined in Section 4095 or 6532, to those
29 systems approved by the association.

30 (b) Require the owner of a separate interest, as defined in Section
31 4185 or 6564, to obtain the approval of the association for the
32 installation of a solar energy system in a separate interest owned
33 by another.

34 (c) Provide for the maintenance, repair, or replacement of roofs
35 or other building components.

36 (d) Require installers of solar energy systems to indemnify or
37 reimburse the association or its members for loss or damage caused
38 by the installation, maintenance, or use of the solar energy system.

39 SEC. 9. Section 782 of the Civil Code, as amended by Section
40 22 of Chapter 181 of the Statutes of 2012, is amended to read:

1 782. (a) Any provision in any deed of real property in
2 California, whether executed before or after the effective date of
3 this section, that purports to restrict the right of any persons to sell,
4 lease, rent, use, or occupy the property to persons having any
5 characteristic listed in subdivision (a) or (d) of Section 12955 of
6 the Government Code, as those bases are defined in Sections
7 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision
8 (p) of Section 12955 and Section 12955.2 of the Government Code,
9 by providing for payment of a penalty, forfeiture, reverter, or
10 otherwise, is void.

11 (b) Notwithstanding subdivision (a), with respect to familial
12 status, subdivision (a) shall not be construed to apply to housing
13 for older persons, as defined in Section 12955.9 of the Government
14 Code. With respect to familial status, nothing in subdivision (a)
15 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
16 and 799.5 *of this code*, relating to housing for senior citizens.
17 Subdivision (d) of Section 51, Section 4760, and Section 6714 *of*
18 *this code*, and subdivisions (n), (o), and (p) of Section 12955 of
19 the Government Code shall apply to subdivision (a).

20 SEC. 10. Section 782.5 of the Civil Code, as amended by
21 Section 23 of Chapter 181 of the Statutes of 2012, is amended to
22 read:

23 782.5. (a) Any deed or other written instrument that relates to
24 title to real property, or any written covenant, condition, or
25 restriction annexed or made a part of, by reference or otherwise,
26 any deed or instrument that relates to title to real property, which
27 contains any provision that purports to forbid, restrict, or condition
28 the right of any person or persons to sell, buy, lease, rent, use, or
29 occupy the property on account of any basis listed in subdivision
30 (a) or (d) of Section 12955 of the Government Code, as those bases
31 are defined in Sections 12926, 12926.1, subdivision (m) and
32 paragraph (1) of subdivision (p) of Section 12955, and Section
33 12955.2 of the Government Code, with respect to any person or
34 persons, shall be deemed to be revised to omit that provision.

35 (b) Notwithstanding subdivision (a), with respect to familial
36 status, subdivision (a) shall not be construed to apply to housing
37 for older persons, as defined in Section 12955.9 of the Government
38 Code. With respect to familial status, nothing in subdivision (a)
39 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
40 and 799.5 *of this code*, relating to housing for senior citizens.

Subdivision (d) of Section 51, Section 4760, and Section 6714 of *this code*, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (a).

(c) This section shall not be construed to limit or expand the powers of a court to reform a deed or other written instrument.

SEC. 11. Section 783 of the Civil Code, as amended by Section 24 of Chapter 181 of the Statutes of 2012, is amended to read:

783. A condominium is an estate in real property described in Section 4125 or 6542. A condominium may, with respect to the duration of its enjoyment, be either (1) an estate of inheritance or perpetual estate, (2) an estate for life, (3) an estate for years, such as a leasehold or a subleasehold, or (4) any combination of the foregoing.

SEC. 12. Section 783.1 of the Civil Code, as amended by Section 25 of Chapter 181 of the Statutes of 2012, is amended to read:

783.1. In a stock cooperative, as defined in Section 4190 or 6566, both the separate interest, as defined in paragraph (4) of subdivision (a) of Section 4185 or in paragraph (3) of subdivision (a) of Section 6564, and the correlative interest in the stock cooperative corporation, however designated, are interests in real property.

SEC. 13. Section 1098 of the Civil Code, as amended by Section 32 of Chapter 181 of the Statutes of 2012, is amended to read:

1098. A “transfer fee” is any fee payment requirement imposed within a covenant, restriction, or condition contained in any deed, contract, security instrument, or other document affecting the transfer or sale of, or any interest in, real property that requires a fee be paid upon transfer of the real property. A transfer fee does not include any of the following:

- (a) Fees or taxes imposed by a governmental entity.
- (b) Fees pursuant to mechanics’ liens.
- (c) Fees pursuant to court-ordered transfers, payments, or judgments.
- (d) Fees pursuant to property agreements in connection with a legal separation or dissolution of marriage.
- (e) Fees, charges, or payments in connection with the administration of estates or trusts pursuant to Division 7 (commencing with Section 7000), Division 8 (commencing with

1 Section 13000), or Division 9 (commencing with Section 15000)
2 of the Probate Code.

3 (f) Fees, charges, or payments imposed by lenders or purchasers
4 of loans, as these entities are described in subdivision (c) of Section
5 10232 of the Business and Professions Code.

6 (g) Assessments, charges, penalties, or fees authorized by the
7 Davis-Stirling Common Interest Development Act (Part 5
8 (commencing with Section 4000) of Division 4) or by the
9 Commercial and Industrial Common Interest Development Act
10 (Part 5.3 (commencing with Section 6500) of Division 4).

11 (h) Fees, charges, or payments for failing to comply with, or
12 for transferring the real property prior to satisfying, an obligation
13 to construct residential improvements on the real property.

14 (i) Any fee reflected in a document recorded against the property
15 on or before December 31, 2007, that is separate from any
16 covenants, conditions, and restrictions, and that substantially
17 complies with subdivision (a) of Section 1098.5 by providing a
18 prospective transferee notice of the following:

19 (1) Payment of a transfer fee is required.

20 (2) The amount or method of calculation of the fee.

21 (3) The date or circumstances under which the transfer fee
22 payment requirement expires, if any.

23 (4) The entity to which the fee will be paid.

24 (5) The general purposes for which the fee will be used.

25 SEC. 14. Section 1133 of the Civil Code, as amended by
26 Section 35 of Chapter 181 of the Statutes of 2012, is amended to
27 read:

28 1133. (a) If a lot, parcel, or unit of a subdivision is subject to
29 a blanket encumbrance, as defined in Section 11013 of the Business
30 and Professions Code, but is exempt from a requirement of
31 compliance with Section 11013.2 of the Business and Professions
32 Code, the subdivider, his or her agent, or representative, shall not
33 sell, or lease for a term exceeding five years, the lot, parcel, or
34 unit, nor cause it to be sold, or leased for a term exceeding five
35 years, until the prospective purchaser or lessee of the lot, parcel,
36 or unit has been furnished with and has signed a true copy of the
37 following notice:

38
39 BUYER/LESSEE IS AWARE OF THE FACT THAT THE
40 LOT, PARCEL, OR UNIT WHICH HE OR SHE IS PROPOSING

TO PURCHASE OR LEASE IS SUBJECT TO A DEED OF TRUST, MORTGAGE, OR OTHER LIEN KNOWN AS A “BLANKET ENCUMBRANCE.”

IF BUYER/LESSEE PURCHASES OR LEASES THIS LOT, PARCEL, OR UNIT, HE OR SHE COULD LOSE THAT INTEREST THROUGH FORECLOSURE OF THE BLANKET ENCUMBRANCE OR OTHER LEGAL PROCESS EVEN THOUGH BUYER/LESSEE IS NOT DELINQUENT IN HIS OR HER PAYMENTS OR OTHER OBLIGATIONS UNDER THE MORTGAGE, DEED OF TRUST, OR LEASE.

Date	Signature of
	Buyer or Lessee

(b) “Subdivision,” as used in subdivision (a), means improved or unimproved land that is divided or proposed to be divided for the purpose of sale, lease, or financing, whether immediate or future, into two or more lots, parcels, or units and includes a condominium project, as defined in Section 4125 or 6542, a community apartment project, as defined in Section 4105, a stock cooperative, as defined in Section 4190 or 6566, and a limited equity housing cooperative, as defined in Section 4190.

(c) The failure of the buyer or lessee to sign the notice shall not invalidate any grant, conveyance, lease, or encumbrance.

(d) Any person or entity who willfully violates the provisions of this section shall be liable to the purchaser of a lot or unit which is subject to the provisions of this section for actual damages, and, in addition thereto, shall be guilty of a public offense punishable by a fine in an amount not to exceed five hundred dollars (\$500). In an action to enforce the liability or fine, the prevailing party shall be awarded reasonable attorney’s fees.

SEC. 15. Section 1633.3 of the Civil Code, as amended by Section 36 of Chapter 181 of the Statutes of 2012, is amended to read:

1633.3. (a) Except as otherwise provided in subdivisions (b) and (c), this title applies to electronic records and electronic signatures relating to a transaction.

(b) This title does not apply to transactions subject to the following laws:

1 (1) A law governing the creation and execution of wills, codicils,
2 or testamentary trusts.

3 (2) Division 1 (commencing with Section 1101) of the Uniform
4 Commercial Code, except Sections 1107 and 1206.

5 (3) Divisions 3 (commencing with Section 3101), 4
6 (commencing with Section 4101), 5 (commencing with Section
7 5101), 8 (commencing with Section 8101), 9 (commencing with
8 Section 9101), and 11 (commencing with Section 11101) of the
9 Uniform Commercial Code.

10 (4) A law that requires that specifically identifiable text or
11 disclosures in a record or a portion of a record be separately signed,
12 including initialed, from the record. However, this paragraph does
13 not apply to Section 1677 or 1678 of this code or Section 1298 of
14 the Code of Civil Procedure.

15 (c) This title does not apply to any specific transaction described
16 in Section 17511.5 of the Business and Professions Code, Section
17 56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7,
18 or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of
19 Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14,
20 1789.16, 1789.33, or 1793.23 of, Chapter 1 (commencing with
21 Section 1801) of Title 2 of Part 4 of Division 3 of, Section 1861.24,
22 1862.5, 1917.712, 1917.713, 1950.5, 1950.6, 1983, 2924b, 2924c,
23 2924f, 2924i, 2924j, 2924.3, or 2937 of, Article 1.5 (commencing
24 with Section 2945) of Chapter 2 of Title 14 of Part 4 of Division
25 3 of, Section 2954.5 or 2963 of, Chapter 2b (commencing with
26 Section 2981) or 2d (commencing with Section 2985.7) of Title
27 14 of Part 4 of Division 3 of, Section 3071.5 of, Part 5
28 (commencing with Section 4000) of Division 4 of, or Part 5.3
29 (commencing with Section 6500) of Division 4 of, ~~the Civil Code~~
30 *of this code*, subdivision (b) of Section 18608 or Section 22328 of
31 the Financial Code, Section 1358.15, 1365, 1368.01, 1368.1, 1371,
32 or 18035.5 of the Health and Safety Code, Section 662, 663, 664,
33 667.5, 673, 677, 678, 678.1, 786, 10086, 10113.7, 10127.7,
34 10127.9, 10127.10, 10197, 10199.44, 10199.46, 10235.16,
35 10235.40, 10509.4, 10509.7, 11624.09, or 11624.1 of the Insurance
36 Code, Section 779.1, 10010.1, or 16482 of the Public Utilities
37 Code, or Section 9975 or 11738 of the Vehicle Code. An electronic
38 record may not be substituted for any notice that is required to be
39 sent pursuant to Section 1162 of the Code of Civil Procedure.
40 Nothing in this subdivision shall be construed to prohibit the

1 recordation of any document with a county recorder by electronic
2 means.

3 (d) This title applies to an electronic record or electronic
4 signature otherwise excluded from the application of this title under
5 subdivision (b) when used for a transaction subject to a law other
6 than those specified in subdivision (b).

7 (e) A transaction subject to this title is also subject to other
8 applicable substantive law.

9 (f) The exclusion of a transaction from the application of this
10 title under subdivision (b) or (c) shall be construed only to exclude
11 the transaction from the application of this title, but shall not be
12 construed to prohibit the transaction from being conducted by
13 electronic means if the transaction may be conducted by electronic
14 means under any other applicable law.

15 SEC. 16. Section 2924b of the Civil Code is amended to read:

16 2924b. (a) Any person desiring a copy of any notice of default
17 and of any notice of sale under any deed of trust or mortgage with
18 power of sale upon real property or an estate for years therein, as
19 to which deed of trust or mortgage the power of sale cannot be
20 exercised until these notices are given for the time and in the
21 manner provided in Section 2924 may, at any time subsequent to
22 recordation of the deed of trust or mortgage and prior to recordation
23 of notice of default thereunder, cause to be filed for record in the
24 office of the recorder of any county in which any part or parcel of
25 the real property is situated, a duly acknowledged request for a
26 copy of the notice of default and of sale. This request shall be
27 signed and acknowledged by the person making the request,
28 specifying the name and address of the person to whom the notice
29 is to be mailed, shall identify the deed of trust or mortgage by
30 stating the names of the parties thereto, the date of recordation
31 thereof, and the book and page where the deed of trust or mortgage
32 is recorded or the recorder's number, and shall be in substantially
33 the following form:

34
35 "In accordance with Section 2924b, Civil Code, request is hereby
36 made that a copy of any notice of default and a copy of any notice of sale
37 under the deed of trust (or mortgage) recorded _____, _____, in Book
38 _____ page _____ records of _____ County, (or filed for record with
39 recorder's serial number _____, _____ County) California, executed
40 by _____ as trustor (or mortgagor) in which _____ is named as

beneficiary (or mortgagee) and _____ as trustee be mailed to
_____ at _____.
Name Address

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

Signature _____”

Upon the filing for record of the request, the recorder shall index in the general index of grantors the names of the trustors (or ~~mortgagor~~ *mortgagors*) recited therein and the names of persons requesting copies.

(b) The mortgagee, trustee, or other person authorized to record the notice of default or the notice of sale shall do each of the following:

(1) Within 10 business days following recordation of the notice of default, deposit or cause to be deposited in the United States mail an envelope, sent by registered or certified mail with postage prepaid, containing a copy of the notice with the recording date shown thereon, addressed to each person whose name and address are set forth in a duly recorded request therefor, directed to the address designated in the request and to each trustor or mortgagor at his or her last known address if different than the address specified in the deed of trust or mortgage with power of sale.

(2) At least 20 days before the date of sale, deposit or cause to be deposited in the United States mail an envelope, sent by registered or certified mail with postage prepaid, containing a copy of the notice of the time and place of sale, addressed to each person whose name and address are set forth in a duly recorded request therefor, directed to the address designated in the request and to each trustor or mortgagor at his or her last known address if different than the address specified in the deed of trust or mortgage with power of sale.

(3) As used in paragraphs (1) and (2), the “last known address” of each trustor or mortgagor means the last business or residence physical address actually known by the mortgagee, beneficiary, trustee, or other person authorized to record the notice of default. For the purposes of this subdivision, an address is “actually known” if it is contained in the original deed of trust or mortgage, or in any subsequent written notification of a change of physical address

1 from the trustor or mortgagor pursuant to the deed of trust or
2 mortgage. For the purposes of this subdivision, “physical address”
3 does not include an email or any form of electronic address for a
4 trustor or mortgagor. The beneficiary shall inform the trustee of
5 the trustor’s last address actually known by the beneficiary.
6 However, the trustee shall incur no liability for failing to send any
7 notice to the last address unless the trustee has actual knowledge
8 of it.

9 (4) A “person authorized to record the notice of default or the
10 notice of sale” shall include an agent for the mortgagee or
11 beneficiary, an agent of the named trustee, any person designated
12 in an executed substitution of trustee, or an agent of that substituted
13 trustee.

14 (c) The mortgagee, trustee, or other person authorized to record
15 the notice of default or the notice of sale shall do the following:

16 (1) Within one month following recordation of the notice of
17 default, deposit or cause to be deposited in the United States mail
18 an envelope, sent by registered or certified mail with postage
19 prepaid, containing a copy of the notice with the recording date
20 shown thereon, addressed to each person set forth in paragraph
21 (2), provided that the estate or interest of any person entitled to
22 receive notice under this subdivision is acquired by an instrument
23 sufficient to impart constructive notice of the estate or interest in
24 the land or portion thereof that is subject to the deed of trust or
25 mortgage being foreclosed, and provided the instrument is recorded
26 in the office of the county recorder so as to impart that constructive
27 notice prior to the recording date of the notice of default and
28 provided the instrument as so recorded sets forth a mailing address
29 that the county recorder shall use, as instructed within the
30 instrument, for the return of the instrument after recording, and
31 which address shall be the address used for the purposes of mailing
32 notices herein.

33 (2) The persons to whom notice shall be mailed under this
34 subdivision are:

35 (A) The successor in interest, as of the recording date of the
36 notice of default, of the estate or interest or any portion thereof of
37 the trustor or mortgagor of the deed of trust or mortgage being
38 foreclosed.

39 (B) The beneficiary or mortgagee of any deed of trust or
40 mortgage recorded subsequent to the deed of trust or mortgage

1 being foreclosed, or recorded prior to or concurrently with the
2 deed of trust or mortgage being foreclosed but subject to a recorded
3 agreement or a recorded statement of subordination to the deed of
4 trust or mortgage being foreclosed.

5 (C) The assignee of any interest of the beneficiary or mortgagee
6 described in subparagraph (B), as of the recording date of the notice
7 of default.

8 (D) The vendee of any contract of sale, or the lessee of any
9 lease, of the estate or interest being foreclosed that is recorded
10 subsequent to the deed of trust or mortgage being foreclosed, or
11 recorded prior to or concurrently with the deed of trust or mortgage
12 being foreclosed but subject to a recorded agreement or statement
13 of subordination to the deed of trust or mortgage being foreclosed.

14 (E) The successor in interest to the vendee or lessee described
15 in subparagraph (D), as of the recording date of the notice of
16 default.

17 (F) The office of the Controller, Sacramento, California, where,
18 as of the recording date of the notice of default, a “Notice of Lien
19 for Postponed Property Taxes” has been recorded against the real
20 property to which the notice of default applies.

21 (3) At least 20 days before the date of sale, deposit or cause to
22 be deposited in the United States mail an envelope, sent by
23 registered or certified mail with postage prepaid, containing a copy
24 of the notice of the time and place of sale addressed to each person
25 to whom a copy of the notice of default is to be mailed as provided
26 in paragraphs (1) and (2), and addressed to the office of any state
27 taxing agency, Sacramento, California, that has recorded,
28 subsequent to the deed of trust or mortgage being foreclosed, a
29 notice of tax lien prior to the recording date of the notice of default
30 against the real property to which the notice of default applies.

31 (4) Provide a copy of the notice of sale to the Internal Revenue
32 Service, in accordance with Section 7425 of the Internal Revenue
33 Code and any applicable federal regulation, if a “Notice of Federal
34 Tax Lien under Internal Revenue Laws” has been recorded,
35 subsequent to the deed of trust or mortgage being foreclosed,
36 against the real property to which the notice of sale applies. The
37 failure to provide the Internal Revenue Service with a copy of the
38 notice of sale pursuant to this paragraph shall be sufficient cause
39 to rescind the trustee’s sale and invalidate the trustee’s deed, at
40 the option of either the successful bidder at the trustee’s sale or

1 the trustee, and in either case with the consent of the beneficiary.
2 Any option to rescind the trustee's sale pursuant to this paragraph
3 shall be exercised prior to any transfer of the property by the
4 successful bidder to a bona fide purchaser for value. A recision of
5 the trustee's sale pursuant to this paragraph may be recorded in a
6 notice of recision pursuant to Section 1058.5.

7 (5) The mailing of notices in the manner set forth in paragraph
8 (1) shall not impose upon any licensed attorney, agent, or employee
9 of any person entitled to receive notices as herein set forth any
10 duty to communicate the notice to the entitled person from the fact
11 that the mailing address used by the county recorder is the address
12 of the attorney, agent, or employee.

13 (d) Any deed of trust or mortgage with power of sale hereafter
14 executed upon real property or an estate for years therein may
15 contain a request that a copy of any notice of default and a copy
16 of any notice of sale thereunder shall be mailed to any person or
17 party thereto at the address of the person given therein, and a copy
18 of any notice of default and of any notice of sale shall be mailed
19 to each of these at the same time and in the same manner required
20 as though a separate request therefor had been filed by each of
21 these persons as herein authorized. If any deed of trust or mortgage
22 with power of sale executed after September 19, 1939, except a
23 deed of trust or mortgage of any of the classes excepted from the
24 provisions of Section 2924, does not contain a mailing address of
25 the trustor or mortgagor therein named, and if no request for special
26 notice by the trustor or mortgagor in substantially the form set
27 forth in this section has subsequently been recorded, a copy of the
28 notice of default shall be published once a week for at least four
29 weeks in a newspaper of general circulation in the county in which
30 the property is situated, the publication to commence within 10
31 business days after the filing of the notice of default. In lieu of
32 publication, a copy of the notice of default may be delivered
33 personally to the trustor or mortgagor within the 10 business days
34 or at any time before publication is completed, or by posting the
35 notice of default in a conspicuous place on the property and mailing
36 the notice to the last known address of the trustor or mortgagor.

37 (e) Any person required to mail a copy of a notice of default or
38 notice of sale to each trustor or mortgagor pursuant to subdivision
39 (b) or (c) by registered or certified mail shall simultaneously cause
40 to be deposited in the United States mail, with postage prepaid and

1 mailed by first-class mail, an envelope containing an additional
2 copy of the required notice addressed to each trustor or mortgagor
3 at the same address to which the notice is sent by registered or
4 certified mail pursuant to subdivision (b) or (c). The person shall
5 execute and retain an affidavit identifying the notice mailed,
6 showing the name and residence or business address of that person,
7 that he or she is over ~~the age of~~ 18 years *of age*, the date of deposit
8 in the mail, the name and address of the trustor or mortgagor to
9 whom sent, and that the envelope was sealed and deposited in the
10 mail with postage fully prepaid. In the absence of fraud, the
11 affidavit required by this subdivision shall establish a conclusive
12 presumption of mailing.

13 (f) (1) Notwithstanding subdivision (a), with respect to separate
14 interests governed by an association, as defined in Section 4080
15 or 6528, the association may cause to be filed in the office of the
16 recorder in the county in which the separate interests are situated
17 a request that a mortgagee, trustee, or other person authorized to
18 record a notice of default regarding any of those separate interests
19 mail to the association a copy of any trustee's deed upon sale
20 concerning a separate interest. The request shall include a legal
21 description or the assessor's parcel number of all the separate
22 interests. A request recorded pursuant to this subdivision shall
23 include the name and address of the association and a statement
24 that it is an association as defined in Section 4080 or 6528.
25 Subsequent requests of an association shall supersede prior
26 requests. A request pursuant to this subdivision shall be recorded
27 before the filing of a notice of default. The mortgagee, trustee, or
28 other authorized person shall mail the requested information to
29 the association within 15 business days following the date of the
30 trustee's sale. Failure to mail the request, pursuant to this
31 subdivision, shall not affect the title to real property.

32 (2) A request filed pursuant to paragraph (1) does not, for
33 purposes of Section 27288.1 of the Government Code, constitute
34 a document that either effects or evidences a transfer or
35 encumbrance of an interest in real property or that releases or
36 terminates any interest, right, or encumbrance of an interest in real
37 property.

38 (g) No request for a copy of any notice filed for record pursuant
39 to this section, no statement or allegation in the request, and no
40 record thereof shall affect the title to real property or be deemed

1 notice to any person that any person requesting copies of notice
2 has or claims any right, title, or interest in, or lien or charge upon
3 the property described in the deed of trust or mortgage referred to
4 therein.

5 (h) “Business day,” as used in this section, has the meaning
6 specified in Section 9.

7 SEC. 17. Section 2955.1 of the Civil Code, as amended by
8 Section 41 of Chapter 181 of the Statutes of 2012, is amended to
9 read:

10 2955.1. (a) Any lender originating a loan secured by the
11 borrower’s separate interest in a condominium project, as defined
12 in Section 4125 or 6542, which requires earthquake insurance or
13 imposes a fee or any other condition in lieu thereof pursuant to an
14 underwriting requirement imposed by an institutional third-party
15 purchaser shall disclose all of the following to the potential
16 borrower:

17 (1) That the lender or the institutional third party in question
18 requires earthquake insurance or imposes a fee or any other
19 condition in lieu thereof pursuant to an underwriting requirement
20 imposed by an institutional third-party purchaser.

21 (2) That not all lenders or institutional third parties require
22 earthquake insurance or impose a fee or any other condition in lieu
23 thereof pursuant to an underwriting requirement imposed by an
24 institutional third-party purchaser.

25 (3) Earthquake insurance may be required on the entire
26 condominium project.

27 (4) That lenders or institutional third parties may also require
28 that a condominium project maintain, or demonstrate an ability to
29 maintain, financial reserves in the amount of the earthquake
30 insurance deductible.

31 (b) For the purposes of this section, “institutional third party”
32 means the Federal Home Loan Mortgage Corporation, the Federal
33 National Mortgage Association, the Government National
34 Mortgage Association, and other substantially similar institutions,
35 whether public or private.

36 (c) The disclosure required by this section shall be made in
37 writing by the lender as soon as reasonably practicable.

38 SEC. 18. Section 4202 of the Civil Code is amended to read:

39 4202. This part does not apply to a commercial or industrial
40 common interest development, as defined in Section 6531.

SEC. 19. Part 5.3 (commencing with Section 6500) is added to Division 4 of the Civil Code, to read:

PART 5.3. COMMERCIAL AND INDUSTRIAL COMMON
INTEREST DEVELOPMENTS

CHAPTER 1. GENERAL PROVISIONS

Article 1. Preliminary Provisions

6500. This part shall be known, and may be cited, as the Commercial and Industrial Common Interest Development Act. In a provision of this part, the part may be referred to as the act.

6502. Division, part, title, chapter, article, and section headings do not in any manner affect the scope, meaning, or intent of this act.

6505. Nothing in the act that added this part shall be construed to invalidate a document prepared or action taken before January 1, 2014, if the document or action was proper under the law governing common interest developments at the time that the document was prepared or the action was taken. For the purposes of this section, “document” does not include a governing document.

6510. Unless a contrary intent is clearly expressed, a local zoning ordinance is construed to treat like structures, lots, parcels, areas, or spaces in like manner regardless of the form of the common interest development.

6512. (a) If a provision of this act requires that a document be delivered to an association, the document shall be delivered to the president or secretary of the association.

(b) A document delivered pursuant to this section may be delivered by any of the following methods:

(1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier.

(2) By email, facsimile, or other electronic means, if the association has assented to that method of delivery.

(3) By personal delivery, if the association has assented to that method of delivery. If the association accepts a document by personal delivery it shall provide a written receipt acknowledging delivery of the document.

1 6514. (a) If a provision of this act requires that an association
2 deliver a document by “individual delivery” or “individual notice,”
3 the document shall be delivered by one of the following methods:

4 (1) First-class mail, postage prepaid, registered or certified mail,
5 express mail, or overnight delivery by an express service carrier.
6 The document shall be addressed to the recipient at the address
7 last shown on the books of the association.

8 (2) Email, facsimile, or other electronic means, if the recipient
9 has consented, in writing, to that method of delivery. The consent
10 may be revoked, in writing, by the recipient.

11 (b) For the purposes of this section, an unrecorded provision of
12 the governing documents providing for a particular method of
13 delivery does not constitute agreement by a member to that method
14 of delivery.

15 6518. (a) This section governs the delivery of a document
16 pursuant to this act.

17 (b) If a document is delivered by mail, delivery is deemed to
18 be complete on deposit into the United States mail.

19 (c) If a document is delivered by electronic means, delivery is
20 complete at the time of transmission.

21 6520. If the association or a member has consented to receive
22 information by electronic delivery, and a provision of this act
23 requires that the information be in writing, that requirement is
24 satisfied if the information is provided in an electronic record
25 capable of retention by the recipient at the time of receipt. An
26 electronic record is not capable of retention by the recipient if the
27 sender or its information processing system inhibits the ability of
28 the recipient to print or store the electronic record.

29 6522. If a provision of this act requires that an action be
30 approved by a majority of all members, the action shall be approved
31 or ratified by an affirmative vote of a majority of the votes entitled
32 to be cast.

33 6524. If a provision of this act requires that an action be
34 approved by a majority of a quorum of the members, the action
35 shall be approved or ratified by an affirmative vote of a majority
36 of the votes represented and voting at a duly held meeting at which
37 a quorum is present, which affirmative votes also constitute a
38 majority of the required quorum.

Article 2. Definitions

6526. The definitions in this article govern the construction of this act.

6528. “Association” means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

6530. “Board” means the board of directors of the association.

6531. A “commercial or industrial common interest development” means a common interest development that is limited to industrial or commercial uses by zoning or by a declaration of covenants, conditions, and restrictions that has been recorded in the official records of each county in which the common interest development is located.

6532. (a) “Common area” means the entire common interest development except the separate interests therein. The estate in the common area may be a fee, a life estate, an estate for years, or any combination of the foregoing.

(b) Notwithstanding subdivision (a), in a planned development described in subdivision (b) of Section 6562, the common area may consist of mutual or reciprocal easement rights appurtenant to the separate interests.

6534. “Common interest development” means any of the following:

(a) A condominium project.

(b) A planned development.

(c) A stock cooperative.

6540. “Condominium plan” means a plan described in Section 6624.

6542. (a) A “condominium project” means a real property development consisting of condominiums.

(b) A condominium consists of an undivided interest in common in a portion of real property coupled with a separate interest in space called a unit, the boundaries of which are described on a recorded final map, parcel map, or condominium plan in sufficient detail to locate all boundaries thereof. The area within these boundaries may be filled with air, earth, water, or fixtures, or any combination thereof, and need not be physically attached to land except by easements for access and, if necessary, support. The description of the unit may refer to (1) boundaries described in the

1 recorded final map, parcel map, or condominium plan, (2) physical
2 boundaries, either in existence, or to be constructed, such as walls,
3 floors, and ceilings of a structure or any portion thereof, (3) an
4 entire structure containing one or more units, or (4) any
5 combination thereof.

6 (c) The portion or portions of the real property held in undivided
7 interest may be all of the real property, except for the separate
8 interests, or may include a particular three-dimensional portion
9 thereof, the boundaries of which are described on a recorded final
10 map, parcel map, or condominium plan. The area within these
11 boundaries may be filled with air, earth, water, or fixtures, or any
12 combination thereof, and need not be physically attached to land
13 except by easements for access and, if necessary, support.

14 (d) An individual condominium within a condominium project
15 may include, in addition, a separate interest in other portions of
16 the real property.

17 6544. “Declarant” means the person or group of persons
18 designated in the declaration as declarant, or if no declarant is
19 designated, the person or group of persons who sign the original
20 declaration or who succeed to special rights, preferences, or
21 privileges designated in the declaration as belonging to the signator
22 of the original declaration.

23 6546. “Declaration” means the document, however
24 denominated, that contains the information required by Section
25 6614.

26 6548. “Director” means a natural person who serves on the
27 board.

28 6550. (a) “Exclusive use common area” means a portion of
29 the common area designated by the declaration for the exclusive
30 use of one or more, but fewer than all, of the owners of the separate
31 interests and which is or will be appurtenant to the separate interest
32 or interests.

33 (b) Unless the declaration otherwise provides, any shutters,
34 awnings, window boxes, doorsteps, stoops, porches, balconies,
35 patios, exterior doors, doorframes, and hardware incident thereto,
36 screens and windows or other fixtures designed to serve a single
37 separate interest, but located outside the boundaries of the separate
38 interest, are exclusive use common area allocated exclusively to
39 that separate interest.

(c) Notwithstanding the provisions of the declaration, internal and external telephone wiring designed to serve a single separate interest, but located outside the boundaries of the separate interest, is exclusive use common area allocated exclusively to that separate interest.

6552. “Governing documents” means the declaration and any other documents, such as bylaws, operating rules, articles of incorporation, or articles of association, which govern the operation of the common interest development or association.

6553. “Individual notice” means the delivery of a document pursuant to Section 6514.

6554. “Member” means an owner of a separate interest.

6560. “Person” means a natural person, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, limited liability company, association, or other entity.

6562. “Planned development” means a real property development other than a condominium project, or a stock cooperative, having either or both of the following features:

(a) Common area that is owned either by an association or in common by the owners of the separate interests who possess appurtenant rights to the beneficial use and enjoyment of the common area.

(b) Common area and an association that maintains the common area with the power to levy assessments that may become a lien upon the separate interests in accordance with Article 2 (commencing with Section 6808) of Chapter 7.

6564. (a) “Separate interest” has the following meanings:

(1) In a condominium project, “separate interest” means a separately owned unit, as specified in Section 6542.

(2) In a planned development, “separate interest” means a separately owned lot, parcel, area, or space.

(3) In a stock cooperative, “separate interest” means the exclusive right to occupy a portion of the real property, as specified in Section 6566.

(b) Unless the declaration or condominium plan, if any exists, otherwise provides, if walls, floors, or ceilings are designated as boundaries of a separate interest, the interior surfaces of the perimeter walls, floors, ceilings, windows, doors, and outlets located within the separate interest are part of the separate interest

1 and any other portions of the walls, floors, or ceilings are part of
2 the common area.

3 (c) The estate in a separate interest may be a fee, a life estate,
4 an estate for years, or any combination of the foregoing.

5 6566. “Stock cooperative” means a development in which a
6 corporation is formed or availed of, primarily for the purpose of
7 holding title to, either in fee simple or for a term of years, improved
8 real property, and all or substantially all of the shareholders of the
9 corporation receive a right of exclusive occupancy in a portion of
10 the real property, title to which is held by the corporation. The
11 owners’ interest in the corporation, whether evidenced by a share
12 of stock, a certificate of membership, or otherwise, shall be deemed
13 to be an interest in a common interest development and a real estate
14 development for purposes of subdivision (f) of Section 25100 of
15 the Corporations Code.

16
17 CHAPTER 2. APPLICATION OF ACT
18

19 6580. Subject to Section 6582, this act applies and a common
20 interest development is created whenever a separate interest
21 coupled with an interest in the common area or membership in the
22 association is, or has been, conveyed, provided all of the following
23 are recorded:

24 (a) A declaration.

25 (b) A condominium plan, if any exists.

26 (c) A final map or parcel map, if Division 2 (commencing with
27 Section 66410) of Title 7 of the Government Code requires the
28 recording of either a final map or parcel map for the common
29 interest development.

30 6582. (a) This act applies only to a commercial or industrial
31 common interest development.

32 (b) Nothing in this act may be construed to apply to a real
33 property development that does not contain common area. This
34 subdivision is declaratory of existing law.

CHAPTER 3. GOVERNING DOCUMENTS

Article 1. General Provisions

6600. (a) To the extent of any inconsistency between the governing documents and the law, the law controls.

(b) To the extent of any inconsistency between the articles of incorporation and the declaration, the declaration controls.

(c) To the extent of any inconsistency between the bylaws and the articles of incorporation or declaration, the articles of incorporation or declaration control.

(d) To the extent of any inconsistency between the operating rules and the bylaws, articles of incorporation, or declaration, the bylaws, articles of incorporation, or declaration control.

6602. Any deed, declaration, or condominium plan for a common interest development shall be liberally construed to facilitate the operation of the common interest development, and its provisions shall be presumed to be independent and severable. Nothing in Article 3 (commencing with Section 715) of Chapter 2 of Title 2 of Part 1 of Division 2 shall operate to invalidate any provisions of the governing documents.

6604. In interpreting deeds and condominium plans, the existing physical boundaries of a unit in a condominium project, when the boundaries of the unit are contained within a building, or of a unit reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or condominium plan, if any exists, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or in the deed and those of the building.

6606. (a) No declaration or other governing document shall include a restrictive covenant in violation of Section 12955 of the Government Code.

(b) Notwithstanding any other provision of law or provision of the governing documents, the board, without approval of the members, shall amend any declaration or other governing document that includes a restrictive covenant prohibited by this section to delete the restrictive covenant, and shall restate the declaration or other governing document without the restrictive covenant but with no other change to the declaration or governing document.

1 (c) If the declaration is amended under this section, the board
2 shall record the restated declaration in each county in which the
3 common interest development is located. If the articles of
4 incorporation are amended under this section, the board shall file
5 a certificate of amendment with the Secretary of State pursuant to
6 Section 7814 of the Corporations Code.

7 (d) If after providing written notice to an association, pursuant
8 to Section 6512, requesting that the association delete a restrictive
9 covenant that violates subdivision (a), and the association fails to
10 delete the restrictive covenant within 30 days of receiving the
11 notice, the Department of Fair Employment and Housing, a city
12 or county in which a common interest development is located, or
13 any person may bring an action against the association for
14 injunctive relief to enforce subdivision (a). The court may award
15 attorney's fees to the prevailing party.

16 6608. (a) Notwithstanding any provision of the governing
17 documents to the contrary, the board may, after the developer has
18 completed construction of the development, has terminated
19 construction activities, and has terminated marketing activities for
20 the sale, lease, or other disposition of separate interests within the
21 development, adopt an amendment deleting from any of the
22 governing documents any provision which is unequivocally
23 designed and intended, or which by its nature can only have been
24 designed or intended, to facilitate the developer in completing the
25 construction or marketing of the development. However, provisions
26 of the governing documents relative to a particular construction
27 or marketing phase of the development may not be deleted under
28 the authorization of this subdivision until that construction or
29 marketing phase has been completed.

30 (b) The provisions which may be deleted by action of the board
31 shall be limited to those which provide for access by the developer
32 over or across the common area for the purposes of (1) completion
33 of construction of the development, and (2) the erection,
34 construction, or maintenance of structures or other facilities
35 designed to facilitate the completion of construction or marketing
36 of separate interests.

37 (c) At least 30 days prior to taking action pursuant to subdivision
38 (a), the board shall deliver to all members, by individual delivery
39 pursuant to Section 6514, (1) a copy of all amendments to the
40 governing documents proposed to be adopted under subdivision

(a), and (2) a notice of the time, date, and place the board will consider adoption of the amendments.

The board may consider adoption of amendments to the governing documents pursuant to subdivision (a) only at a meeting that is open to all members, who shall be given opportunity to make comments thereon. All deliberations of the board on any action proposed under subdivision (a) shall only be conducted in an open meeting.

(d) The board may not amend the governing documents pursuant to this section without the approval of a majority of a quorum of the members, pursuant to Section 6524. For the purposes of this section, “quorum” means more than 50 percent of the members who own no more than two separate interests in the development.

6610. (a) Notwithstanding any other law or provision of the governing documents, if the governing documents include a reference to a provision of the Davis-Stirling Common Interest Development Act that was continued in a new provision by the act that added this section, the board may amend the governing documents, solely to correct the cross-reference, by adopting a board resolution that shows the correction. Member approval is not required in order to adopt a resolution pursuant to this section.

(b) A declaration that is corrected under this section may be restated in corrected form and recorded, provided that a copy of the board resolution authorizing the corrections is recorded along with the restated declaration.

Article 2. Declaration

6614. (a) A declaration, recorded on or after January 1, 1986, shall contain a legal description of the common interest development, and a statement that the common interest development is a condominium project, planned development, stock cooperative, or combination thereof. The declaration shall additionally set forth the name of the association and the restrictions on the use or enjoyment of any portion of the common interest development that are intended to be enforceable equitable servitudes.

(b) The declaration may contain any other matters the declarant or the members consider appropriate.

1 6616. Except to the extent that a declaration provides by its
2 express terms that it is not amendable, in whole or in part, a
3 declaration that fails to include provisions permitting its
4 amendment at all times during its existence may be amended at
5 any time.

6 6618. (a) The Legislature finds that there are common interest
7 developments that have been created with deed restrictions that
8 do not provide a means for the members to extend the term of the
9 declaration. The Legislature further finds that covenants and
10 restrictions, contained in the declaration, are an appropriate method
11 for protecting the common plan of developments and to provide
12 for a mechanism for financial support for the upkeep of common
13 area including, but not limited to, roofs, roads, heating systems,
14 and recreational facilities. If declarations terminate prematurely,
15 common interest developments may deteriorate and the supply of
16 affordable units could be impacted adversely. The Legislature
17 further finds and declares that it is in the public interest to provide
18 a vehicle for extending the term of the declaration if the extension
19 is approved by a majority of all members, pursuant to Section
20 6522.

21 (b) A declaration that specifies a termination date, but that
22 contains no provision for extension of the termination date, may
23 be extended, before its termination date, by the approval of
24 members pursuant to Section 6620.

25 (c) No single extension of the terms of the declaration made
26 pursuant to this section shall exceed the initial term of the
27 declaration or 20 years, whichever is less. However, more than
28 one extension may occur pursuant to this section.

29 6620. (a) A declaration may be amended pursuant to the
30 declaration or this act. An amendment is effective after all of the
31 following requirements have been met:

32 (1) The proposed amendment has been delivered by individual
33 notice to all members not less than 15 days and not more than 60
34 days prior to any approval being solicited.

35 (2) The amendment has been approved by the percentage of
36 members required by the declaration and any other person whose
37 approval is required by the declaration.

38 (3) That fact has been certified in a writing executed and
39 acknowledged by the officer designated in the declaration or by

1 the association for that purpose, or if no one is designated, by the
2 president of the association.

3 (4) The amendment has been recorded in each county in which
4 a portion of the common interest development is located.

5 (b) If the declaration does not specify the percentage of members
6 who must approve an amendment of the declaration, an amendment
7 may be approved by a majority of all members, pursuant to Section
8 6522.

10 Article 3. Articles of Incorporation

11
12 6622. (a) The articles of incorporation of an association filed
13 with the Secretary of State shall include a statement, which shall
14 be in addition to the statement of purposes of the corporation, that
15 does all of the following:

16 (1) Identifies the corporation as an association formed to manage
17 a common interest development under the Commercial and
18 Industrial Common Interest Development Act.

19 (2) States the business or corporate office of the association, if
20 any, and, if the office is not on the site of the common interest
21 development, states the front street and nearest cross street for the
22 physical location of the common interest development.

23 (3) States the name and address of the association's managing
24 agent, if any.

25 (b) The statement filed by an incorporated association with the
26 Secretary of State pursuant to Section 8210 of the Corporations
27 Code shall also contain a statement identifying the corporation as
28 an association formed to manage a common interest development
29 under the Commercial and Industrial Common Interest
30 Development Act.

32 Article 4. Condominium Plan

33
34 6624. A condominium plan shall contain all of the following:

35 (a) A description or survey map of a condominium project,
36 which shall refer to or show monumentation on the ground.

37 (b) A three-dimensional description of a condominium project,
38 one or more dimensions of which may extend for an indefinite
39 distance upwards or downwards, in sufficient detail to identify the
40 common area and each separate interest.

1 (c) A certificate consenting to the recordation of the
2 condominium plan pursuant to this act that is signed and
3 acknowledged as provided in Section 6626.

4 6626. (a) The certificate consenting to the recordation of a
5 condominium plan that is required by subdivision (c) of Section
6 6624 shall be signed and acknowledged by all of the following
7 persons:

8 (1) The record owner of fee title to that property included in the
9 condominium project.

10 (2) In the case of a condominium project that will terminate
11 upon the termination of an estate for years, by all lessors and
12 lessees of the estate for years.

13 (3) In the case of a condominium project subject to a life estate,
14 by all life tenants and remainder interests.

15 (4) The trustee or the beneficiary of each recorded deed of trust,
16 and the mortgagee of each recorded mortgage encumbering the
17 property.

18 (b) Owners of mineral rights, easements, rights-of-way, and
19 other nonpossessory interests do not need to sign the certificate.

20 (c) In the event a conversion to condominiums of a stock
21 cooperative has been approved by the required number of owners,
22 trustees, beneficiaries, and mortgagees pursuant to Section
23 66452.10 of the Government Code, the certificate need only be
24 signed by those owners, trustees, beneficiaries, and mortgagees
25 approving the conversion.

26 6628. A condominium plan may be amended or revoked by a
27 recorded instrument that is acknowledged and signed by all the
28 persons who, at the time of amendment or revocation, are persons
29 whose signatures are required under Section 6626.

30 Article 5. Operating Rules

31
32
33 6630. For the purposes of this article, “operating rule” means
34 a regulation adopted by the board that applies generally to the
35 management and operation of the common interest development
36 or the conduct of the business and affairs of the association.

37 6632. An operating rule is valid and enforceable only if all of
38 the following requirements are satisfied:

39 (a) The rule is in writing.

1 (b) The rule is within the authority of the board conferred by
2 law or by the declaration, articles of incorporation or association,
3 or bylaws of the association.

4 (c) The rule is not inconsistent with governing law and the
5 declaration, articles of incorporation or association, and bylaws
6 of the association.

7 (d) The rule is reasonable, and is adopted, amended, or repealed
8 in good faith.

9
10 CHAPTER 4. OWNERSHIP AND TRANSFER OF INTERESTS

11
12 Article 1. Ownership Rights and Interests

13
14 6650. Unless the declaration otherwise provides, in a
15 condominium project, or in a planned development in which the
16 common area is owned by the owners of the separate interests, the
17 common area is owned as tenants in common, in equal shares, one
18 for each separate interest.

19 6652. Unless the declaration otherwise provides:

20 (a) In a condominium project, and in those planned
21 developments with common area owned in common by the owners
22 of the separate interests, there are appurtenant to each separate
23 interest nonexclusive rights of ingress, egress, and support, if
24 necessary, through the common area. The common area is subject
25 to these rights.

26 (b) In a stock cooperative, and in a planned development with
27 common area owned by the association, there is an easement for
28 ingress, egress, and support, if necessary, appurtenant to each
29 separate interest. The common area is subject to these easements.

30 6654. Except as otherwise provided in law, an order of the
31 court, or an order pursuant to a final and binding arbitration
32 decision, an association may not deny a member or occupant
33 physical access to the member's or occupant's separate interest,
34 either by restricting access through the common area to the separate
35 interest, or by restricting access solely to the separate interest.

36
37 Article 2. Restrictions on Transfers

38
39 6656. (a) Except as provided in this section, the common area
40 in a condominium project shall remain undivided, and there shall

1 be no judicial partition thereof. Nothing in this section shall be
2 deemed to prohibit partition of a cotenancy in a condominium.

3 (b) The owner of a separate interest in a condominium project
4 may maintain a partition action as to the entire project as if the
5 owners of all of the separate interests in the project were tenants
6 in common in the entire project in the same proportion as their
7 interests in the common area. The court shall order partition under
8 this subdivision only by sale of the entire condominium project
9 and only upon a showing of one of the following:

10 (1) More than three years before the filing of the action, the
11 condominium project was damaged or destroyed, so that a material
12 part was rendered unfit for its prior use, and the condominium
13 project has not been rebuilt or repaired substantially to its state
14 prior to the damage or destruction.

15 (2) Three-fourths or more of the project is destroyed or
16 substantially damaged and owners of separate interests holding in
17 the aggregate more than a 50-percent interest in the common area
18 oppose repair or restoration of the project.

19 (3) The project has been in existence more than 50 years, is
20 obsolete and uneconomic, and owners of separate interests holding
21 in the aggregate more than a 50-percent interest in the common
22 area oppose repair or restoration of the project.

23 (4) Any conditions in the declaration for sale under the
24 circumstances described in this subdivision have been met.

25 6658. (a) In a condominium project, no labor performed or
26 services or materials furnished with the consent of, or at the request
27 of, an owner in the condominium project or the owners' agent or
28 contractor shall be the basis for the filing of a lien against any other
29 property of any other owner in the condominium project unless
30 that other owner has expressly consented to or requested the
31 performance of the labor or furnishing of the materials or services.
32 However, express consent shall be deemed to have been given by
33 the owner of any condominium in the case of emergency repairs
34 thereto.

35 (b) Labor performed or services or materials furnished for the
36 common area, if duly authorized by the association, shall be
37 deemed to be performed or furnished with the express consent of
38 each condominium owner.

39 (c) The owner of any condominium may remove that owner's
40 condominium from a lien against two or more condominiums or

1 any part thereof by payment to the holder of the lien of the fraction
2 of the total sum secured by the lien that is attributable to the
3 owner's condominium.

4
5 Article 3. Transfer of Separate Interest
6

7 6662. In a condominium project the common area is not subject
8 to partition, except as provided in Section 6656. Any conveyance,
9 judicial sale, or other voluntary or involuntary transfer of the
10 separate interest includes the undivided interest in the common
11 area. Any conveyance, judicial sale, or other voluntary or
12 involuntary transfer of the owner's entire estate also includes the
13 owner's membership interest in the association.

14 6664. In a planned development, any conveyance, judicial sale,
15 or other voluntary or involuntary transfer of the separate interest
16 includes the undivided interest in the common area, if any exists.
17 Any conveyance, judicial sale, or other voluntary or involuntary
18 transfer of the owner's entire estate also includes the owner's
19 membership interest in the association.

20 6666. In a stock cooperative, any conveyance, judicial sale, or
21 other voluntary or involuntary transfer of the separate interest
22 includes the ownership interest in the corporation, however
23 evidenced. Any conveyance, judicial sale, or other voluntary or
24 involuntary transfer of the owner's entire estate also includes the
25 owner's membership interest in the association.

26 6668. Nothing in this article prohibits the transfer of exclusive
27 use areas, independent of any other interest in a common interest
28 subdivision, if authorization to separately transfer exclusive use
29 areas is expressly stated in the declaration and the transfer occurs
30 in accordance with the terms of the declaration.

31 6670. Any restrictions upon the severability of the component
32 interests in real property which are contained in the declaration
33 shall not be deemed conditions repugnant to the interest created
34 within the meaning of Section 711. However, these restrictions
35 shall not extend beyond the period in which the right to partition
36 a project is suspended under Section 6656.

CHAPTER 5. PROPERTY USE AND MAINTENANCE

Article 1. Protected Uses

6700. This article includes provisions that limit the authority of an association or the governing documents to regulate the use of a member's separate interest. Nothing in this article is intended to affect the application of any other provision that limits the authority of an association to regulate the use of a member's separate interest, including, but not limited to, the following provisions:

- (a) Sections 712 and 713, relating to the display of signs.
- (b) Sections 714 and 714.1, relating to solar energy systems.
- (c) Section 714.5, relating to structures that are constructed offsite and moved to the property in sections or modules.
- (d) Sections 782, 782.5, and 6150 of this code and Section 12956.1 of the Government Code, relating to racial restrictions.

6702. (a) Except as required for the protection of the public health or safety, no governing document shall limit or prohibit, or be construed to limit or prohibit, the display of the flag of the United States by a member on or in the member's separate interest or within the member's exclusive use common area.

(b) For purposes of this section, "display of the flag of the United States" means a flag of the United States made of fabric, cloth, or paper displayed from a staff or pole or in a window, and does not mean a depiction or emblem of the flag of the United States made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

(c) In any action to enforce this section, the prevailing party shall be awarded reasonable attorney's fees and costs.

6704. (a) The governing documents may not prohibit posting or displaying of noncommercial signs, posters, flags, or banners on or in a member's separate interest, except as required for the protection of public health or safety or if the posting or display would violate a local, state, or federal law.

(b) For purposes of this section, a noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, and may be posted or displayed from the yard, window, door, balcony, or outside wall of the separate interest, but may not

1 be made of lights, roofing, siding, paving materials, flora, or
2 balloons, or any other similar building, landscaping, or decorative
3 component, or include the painting of architectural surfaces.

4 (c) An association may prohibit noncommercial signs and
5 posters that are more than nine square feet in size and
6 noncommercial flags or banners that are more than 15 square feet
7 in size.

8 ~~6706. (a) No governing documents shall prohibit the owner~~
9 ~~of a separate interest within a common interest development from~~
10 ~~keeping at least one pet within the common interest development,~~
11 ~~subject to reasonable rules and regulations of the association. This~~
12 ~~section may not be construed to affect any other rights provided~~
13 ~~by law to an owner of a separate interest to keep a pet within the~~
14 ~~development.~~

15 ~~(b) For purposes of this section, “pet” means any domesticated~~
16 ~~bird, cat, dog, aquatic animal kept within an aquarium, or other~~
17 ~~animal as agreed to between the association and the owner.~~

18 ~~(c) If the association implements a rule or regulation restricting~~
19 ~~the number of pets an owner may keep, the new rule or regulation~~
20 ~~shall not apply to prohibit an owner from continuing to keep any~~
21 ~~pet that the owner currently keeps in the owner’s separate interest~~
22 ~~if the pet otherwise conforms with the previous rules or regulations~~
23 ~~relating to pets.~~

24 ~~(d) For the purposes of this section, “governing documents”~~
25 ~~shall include, but are not limited to, the conditions, covenants, and~~
26 ~~restrictions of the common interest development, and the bylaws,~~
27 ~~rules, and regulations of the association.~~

28 ~~(e) This section shall become operative on January 1, 2001, and~~
29 ~~shall only apply to governing documents entered into, amended,~~
30 ~~or otherwise modified on or after that date.~~

31 *6706. Notwithstanding Section 4202, Section 4715 applies to*
32 *an owner of a separate interest in a common interest development*
33 *who kept a pet in that common interest development before January*
34 *1, 2014.*

35 6708. (a) Any covenant, condition, or restriction contained in
36 any deed, contract, security instrument, or other instrument
37 affecting the transfer or sale of, or any interest in, a common
38 interest development that effectively prohibits or restricts the
39 installation or use of a video or television antenna, including a
40 satellite dish, or that effectively prohibits or restricts the attachment

1 of that antenna to a structure within that development where the
2 antenna is not visible from any street or common area, except as
3 otherwise prohibited or restricted by law, is void and unenforceable
4 as to its application to the installation or use of a video or television
5 antenna that has a diameter or diagonal measurement of 36 inches
6 or less.

7 (b) This section shall not apply to any covenant, condition, or
8 restriction, as described in subdivision (a), that imposes reasonable
9 restrictions on the installation or use of a video or television
10 antenna, including a satellite dish, that has a diameter or diagonal
11 measurement of 36 inches or less. For purposes of this section,
12 “reasonable restrictions” means those restrictions that do not
13 significantly increase the cost of the video or television antenna
14 system, including all related equipment, or significantly decrease
15 its efficiency or performance and include all of the following:

16 (1) Requirements for application and notice to the association
17 prior to the installation.

18 (2) Requirement of a member to obtain the approval of the
19 association for the installation of a video or television antenna that
20 has a diameter or diagonal measurement of 36 inches or less on a
21 separate interest owned by another.

22 (3) Provision for the maintenance, repair, or replacement of
23 roofs or other building components.

24 (4) Requirements for installers of a video or television antenna
25 to indemnify or reimburse the association or its members for loss
26 or damage caused by the installation, maintenance, or use of a
27 video or television antenna that has a diameter or diagonal
28 measurement of 36 inches or less.

29 (c) Whenever approval is required for the installation or use of
30 a video or television antenna, including a satellite dish, the
31 application for approval shall be processed by the appropriate
32 approving entity for the common interest development in the same
33 manner as an application for approval of an architectural
34 modification to the property, and the issuance of a decision on the
35 application shall not be willfully delayed.

36 (d) In any action to enforce compliance with this section, the
37 prevailing party shall be awarded reasonable attorney’s fees.

38 6710. (a) Any provision of a governing document that
39 arbitrarily or unreasonably restricts an owner’s ability to market
40 the owner’s interest in a common interest development is void.

(b) No association may adopt, enforce, or otherwise impose any governing document that does either of the following:

(1) Imposes an assessment or fee in connection with the marketing of an owner's interest in an amount that exceeds the association's actual or direct costs.

(2) Establishes an exclusive relationship with a real estate broker through which the sale or marketing of interests in the development is required to occur. The limitation set forth in this paragraph does not apply to the sale or marketing of separate interests owned by the association or to the sale or marketing of common area by the association.

(c) For purposes of this section, "market" and "marketing" mean listing, advertising, or obtaining or providing access to show the owner's interest in the development.

(d) This section does not apply to rules or regulations made pursuant to Section 712 or 713 regarding real estate signs.

6712. (a) Notwithstanding any other law, a provision of the governing documents shall be void and unenforceable if it does any of the following:

(1) Prohibits, or includes conditions that have the effect of prohibiting, the use of low water-using plants as a group.

(2) Has the effect of prohibiting or restricting compliance with either of the following:

(A) A water-efficient landscape ordinance adopted or in effect pursuant to subdivision (c) of Section 65595 of the Government Code.

(B) Any regulation or restriction on the use of water adopted pursuant to Section 353 or 375 of the Water Code.

(b) This section shall not prohibit an association from applying landscaping rules established in the governing documents, to the extent the rules fully conform with the requirements of subdivision (a).

6713. (a) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest development, and any provision of a governing document, as defined in Section 6552, that either effectively prohibits or unreasonably restricts the installation or use of an electric vehicle charging station in an owner's designated parking space, including, but not limited to, a deeded parking space, a parking space in an

owner's exclusive use common area, or a parking space that is specifically designated for use by a particular owner, or is in conflict with the provisions of this section is void and unenforceable.

(b) (1) This section does not apply to provisions that impose reasonable restrictions on electric vehicle charging stations. However, it is the policy of the state to promote, encourage, and remove obstacles to the use of electric vehicle charging stations.

(2) For purposes of this section, "reasonable restrictions" are restrictions that do not significantly increase the cost of the station or significantly decrease its efficiency or specified performance.

(c) An electric vehicle charging station shall meet applicable health and safety standards and requirements imposed by state and local authorities, and all other applicable zoning, land use or other ordinances, or land use permits.

(d) For purposes of this section, "electric vehicle charging station" means a station that is designed in compliance with the California Building Standards Code and delivers electricity from a source outside an electric vehicle into one or more electric vehicles. An electric vehicle charging station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging plug-in electric vehicles.

(e) If approval is required for the installation or use of an electric vehicle charging station, the application for approval shall be processed and approved by the association in the same manner as an application for approval of an architectural modification to the property, and shall not be willfully avoided or delayed. The approval or denial of an application shall be in writing. If an application is not denied in writing within 60 days from the date of receipt of the application, the application shall be deemed approved, unless that delay is the result of a reasonable request for additional information.

(f) If the electric vehicle charging station is to be placed in a common area or an exclusive use common area, as designated in the common interest development's declaration, the following provisions apply:

(1) The owner first shall obtain approval from the association to install the electric vehicle charging station and the association

1 shall approve the installation if the owner agrees in writing to do
2 all of the following:

3 (A) Comply with the association's architectural standards for
4 the installation of the charging station.

5 (B) Engage a licensed contractor to install the charging station.

6 (C) Within 14 days of approval, provide a certificate of
7 insurance that names the association as an additional insured under
8 the owner's insurance policy in the amount set forth in paragraph
9 (3).

10 (D) Pay for the electricity usage associated with the charging
11 station.

12 (2) The owner and each successive owner of the charging station
13 shall be responsible for all of the following:

14 (A) Costs for damage to the charging station, common area,
15 exclusive use common area, or separate interests resulting from
16 the installation, maintenance, repair, removal, or replacement of
17 the charging station.

18 (B) Costs for the maintenance, repair, and replacement of the
19 charging station until it has been removed and for the restoration
20 of the common area after removal.

21 (C) The cost of electricity associated with the charging station.

22 (D) Disclosing to prospective buyers the existence of any
23 charging station of the owner and the related responsibilities of
24 the owner under this section.

25 (3) The owner and each successive owner of the charging
26 station, at all times, shall maintain a liability coverage policy in
27 the amount of one million dollars (\$1,000,000), and shall name
28 the association as a named additional insured under the policy with
29 a right to notice of cancellation.

30 (4) An owner shall not be required to maintain a liability
31 coverage policy for an existing National Electrical Manufacturers
32 Association standard alternating current power plug.

33 (g) Except as provided in subdivision (h), installation of an
34 electric vehicle charging station for the exclusive use of an owner
35 in a common area, that is not an exclusive use common area, shall
36 be authorized by the association only if installation in the owner's
37 designated parking space is impossible or unreasonably expensive.
38 In such cases, the association shall enter into a license agreement
39 with the owner for the use of the space in a common area, and the
40 owner shall comply with all of the requirements in subdivision (f).

1 (h) The association or owners may install an electric vehicle
2 charging station in the common area for the use of all members of
3 the association and, in that case, the association shall develop
4 appropriate terms of use for the charging station.

5 (i) An association may create a new parking space where one
6 did not previously exist to facilitate the installation of an electric
7 vehicle charging station.

8 (j) An association that willfully violates this section shall be
9 liable to the applicant or other party for actual damages, and shall
10 pay a civil penalty to the applicant or other party in an amount not
11 to exceed one thousand dollars (\$1,000).

12 (k) In any action to enforce compliance with this section, the
13 prevailing plaintiff shall be awarded reasonable attorney's fees.

14
15 Article 2. Modification of Separate Interest
16

17 6714. (a) Subject to the governing documents and applicable
18 law, a member may do the following:

19 (1) Make any improvement or alteration within the boundaries
20 of the member's separate interest that does not impair the structural
21 integrity or mechanical systems or lessen the support of any
22 portions of the common interest development.

23 (2) Modify the member's separate interest, at the member's
24 expense, to facilitate access for persons who are blind, visually
25 handicapped, deaf, or physically disabled, or to alter conditions
26 which could be hazardous to these persons. These modifications
27 may also include modifications of the route from the public way
28 to the door of the separate interest for the purposes of this
29 paragraph if the separate interest is on the ground floor or already
30 accessible by an existing ramp or elevator. The right granted by
31 this paragraph is subject to the following conditions:

32 (A) The modifications shall be consistent with applicable
33 building code requirements.

34 (B) The modifications shall be consistent with the intent of
35 otherwise applicable provisions of the governing documents
36 pertaining to safety or aesthetics.

37 (C) Modifications external to the separate interest shall not
38 prevent reasonable passage by other residents, and shall be removed
39 by the member when the separate interest is no longer occupied

1 by persons requiring those modifications who are blind, visually
2 handicapped, deaf, or physically disabled.

3 (D) Any member who intends to modify a separate interest
4 pursuant to this paragraph shall submit plans and specifications to
5 the association for review to determine whether the modifications
6 will comply with the provisions of this paragraph. The association
7 shall not deny approval of the proposed modifications under this
8 paragraph without good cause.

9 (b) Any change in the exterior appearance of a separate interest
10 shall be in accordance with the governing documents and
11 applicable provisions of law.

12 13 Article 3. Maintenance 14

15 6716. (a) Unless otherwise provided in the declaration of a
16 common interest development, the association is responsible for
17 repairing, replacing, or maintaining the common area, other than
18 exclusive use common area, and the owner of each separate interest
19 is responsible for maintaining that separate interest and any
20 exclusive use common area appurtenant to the separate interest.

21 (b) The costs of temporary relocation during the repair and
22 maintenance of the areas within the responsibility of the association
23 shall be borne by the owner of the separate interest affected.

24 6718. (a) In a condominium project or stock cooperative,
25 unless otherwise provided in the declaration, the association is
26 responsible for the repair and maintenance of the common area
27 occasioned by the presence of wood-destroying pests or organisms.

28 (b) In a planned development, unless a different maintenance
29 scheme is provided in the declaration, each owner of a separate
30 interest is responsible for the repair and maintenance of that
31 separate interest as may be occasioned by the presence of
32 wood-destroying pests or organisms. Upon approval of the majority
33 of all members of the association, pursuant to Section 6522, that
34 responsibility may be delegated to the association, which shall be
35 entitled to recover the cost thereof as a special assessment.

36 6720. (a) The association may cause the temporary, summary
37 removal of any occupant of a common interest development for
38 such periods and at such times as may be necessary for prompt,
39 effective treatment of wood-destroying pests or organisms.

(b) The association shall give notice of the need to temporarily vacate a separate interest to the occupants and to the owners, not less than 15 days nor more than 30 days prior to the date of the temporary relocation. The notice shall state the reason for the temporary relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment, and that the occupants will be responsible for their own accommodations during the temporary relocation.

(c) Notice by the association shall be deemed complete upon either:

(1) Personal delivery of a copy of the notice to the occupants, and if an occupant is not the owner, individual delivery pursuant to Section 6514, of a copy of the notice to the owner.

(2) Individual delivery pursuant to Section 6514 to the occupant at the address of the separate interest, and if the occupant is not the owner, individual delivery pursuant to Section 6514, of a copy of the notice to the owner.

(d) For purposes of this section, “occupant” means an owner, resident, guest, invitee, tenant, lessee, sublessee, or other person in possession of the separate interest.

6722. Notwithstanding the provisions of the declaration, a member is entitled to reasonable access to the common area for the purpose of maintaining the internal and external telephone wiring made part of the exclusive use common area of the member’s separate interest pursuant to subdivision (c) of Section 6550. The access shall be subject to the consent of the association, whose approval shall not be unreasonably withheld, and which may include the association’s approval of telephone wiring upon the exterior of the common area, and other conditions as the association determines reasonable.

CHAPTER 6. ASSOCIATION GOVERNANCE

Article 1. Association Existence and Powers

6750. A common interest development shall be managed by an association that may be incorporated or unincorporated. The association may be referred to as an owners’ association or a community association.

1 6752. (a) Unless the governing documents provide otherwise,
2 and regardless of whether the association is incorporated or
3 unincorporated, the association may exercise the powers granted
4 to a nonprofit mutual benefit corporation, as enumerated in Section
5 7140 of the Corporations Code, except that an unincorporated
6 association may not adopt or use a corporate seal or issue
7 membership certificates in accordance with Section 7313 of the
8 Corporations Code.

9 (b) The association, whether incorporated or unincorporated,
10 may exercise the powers granted to an association in this act.

11 Article 2. Record Keeping

12
13
14 6756. To be effective, ~~any of the following requests a request~~
15 ~~to change the member's information in the association membership~~
16 ~~list shall be delivered in writing to the association, pursuant to~~
17 ~~Section 6512; 6512.~~

18 ~~(a) A request to change the member's information in the~~
19 ~~association membership list.~~

20 ~~(b) A request to add or remove a second address for delivery of~~
21 ~~documents to the member pursuant to Section 6814.~~

22 Article 3. Conflict of Interest

23
24
25 6758. (a) Notwithstanding any other law, and regardless of
26 whether an association is incorporated or unincorporated, the
27 provisions of Sections 7233 and 7234 of the Corporations Code
28 shall apply to any contract or other transaction authorized,
29 approved, or ratified by the board or a committee of the board.

30 (b) A director or member of a committee shall not vote on any
31 of the following matters:

32 (1) Discipline of the director or committee member.

33 (2) An assessment against the director or committee member
34 for damage to the common area or facilities.

35 (3) A request, by the director or committee member, for a
36 payment plan for overdue assessments.

37 (4) A decision whether to foreclose on a lien on the separate
38 interest of the director or committee member.

39 (5) Review of a proposed physical change to the separate interest
40 of the director or committee member.

1 (6) A grant of exclusive use common area to the director or
2 committee member.

3 (c) Nothing in this section limits any other provision of law or
4 the governing documents that govern a decision in which a director
5 may have an interest.

6
7 Article 4. ~~Government Assistance~~
8

9 ~~6760. (a) To assist with the identification of common interest~~
10 ~~developments, each association, whether incorporated or~~
11 ~~unincorporated, shall submit to the Secretary of State, on a form~~
12 ~~and for a fee not to exceed thirty dollars (\$30) that the Secretary~~
13 ~~of State shall prescribe, the following information concerning the~~
14 ~~association and the development that it manages:~~

15 ~~(1) A statement that the association is formed to manage a~~
16 ~~common interest development under the Commercial and Industrial~~
17 ~~Common Interest Development Act.~~

18 ~~(2) The name of the association.~~

19 ~~(3) The street address of the business or corporate office of the~~
20 ~~association, if any.~~

21 ~~(4) The street address of the association's onsite office if~~
22 ~~different from the street address of the business or corporate office,~~
23 ~~or if there is no onsite office, the street address of the responsible~~
24 ~~officer or managing agent of the association.~~

25 ~~(5) The name, address, and either the daytime telephone number~~
26 ~~or e-mail address of the president of the association, other than the~~
27 ~~address, telephone number, or e-mail address of the association's~~
28 ~~onsite office or managing agent.~~

29 ~~(6) The name, street address, and daytime telephone number of~~
30 ~~the association's managing agent, if any.~~

31 ~~(7) The county, and, if in an incorporated area, the city in which~~
32 ~~the development is physically located. If the boundaries of the~~
33 ~~development are physically located in more than one county, each~~
34 ~~of the counties in which it is located.~~

35 ~~(8) If the development is in an unincorporated area, the city~~
36 ~~closest in proximity to the development.~~

37 ~~(9) The front street and nearest cross street of the physical~~
38 ~~location of the development.~~

39 ~~(10) The type of common interest development managed by the~~
40 ~~association.~~

1 ~~(11) The number of separate interests in the development.~~

2 ~~(b) The association shall submit the information required by~~
3 ~~this section as follows:~~

4 ~~(1) By incorporated associations, within 90 days after the filing~~
5 ~~of its original articles of incorporation, and thereafter at the time~~
6 ~~the association files its statement of principal business activity~~
7 ~~with the Secretary of State pursuant to Section 8210 of the~~
8 ~~Corporations Code.~~

9 ~~(2) By unincorporated associations, in July of 2003, and in that~~
10 ~~same month biennially thereafter. Upon changing its status to that~~
11 ~~of a corporation, the association shall comply with the filing~~
12 ~~deadlines in paragraph (1).~~

13 ~~(c) The association shall notify the Secretary of State of any~~
14 ~~change in the street address of the association's onsite office or of~~
15 ~~the responsible officer or managing agent of the association in the~~
16 ~~form and for a fee prescribed by the Secretary of State, within 60~~
17 ~~days of the change.~~

18 ~~(d) The penalty for an incorporated association's noncompliance~~
19 ~~with the initial or biennial filing requirements of this section shall~~
20 ~~be suspension of the association's rights, privileges, and powers~~
21 ~~as a corporation and monetary penalties, to the same extent and in~~
22 ~~the same manner as suspension and monetary penalties imposed~~
23 ~~pursuant to Section 8810 of the Corporations Code.~~

24 ~~(e) The statement required by this section may be filed,~~
25 ~~notwithstanding suspension of the corporate powers, rights, and~~
26 ~~privileges under this section or under provisions of the Revenue~~
27 ~~and Taxation Code. Upon the filing of a statement under this~~
28 ~~section by a corporation that has suffered suspension under this~~
29 ~~section, the Secretary of State shall certify that fact to the Franchise~~
30 ~~Tax Board and the corporation may thereupon be relieved from~~
31 ~~suspension, unless the corporation is held in suspension by the~~
32 ~~Franchise Tax Board by reason of Section 23301, 23301.5, or~~
33 ~~23775 of the Revenue and Taxation Code.~~

34 ~~(f) The Secretary of State shall make the information submitted~~
35 ~~pursuant to paragraph (5) of subdivision (a) available only for~~
36 ~~governmental purposes and only to Members of the Legislature~~
37 ~~and the Business, Transportation and Housing Agency, upon~~
38 ~~written request. All other information submitted pursuant to this~~
39 ~~section shall be subject to public inspection pursuant to the~~
40 ~~California Public Records Act (Chapter 3.5 (commencing with~~

1 ~~Section 6250) of Division 7 of Title 1 of the Government Code).~~
2 ~~The information submitted pursuant to this section shall be made~~
3 ~~available for governmental or public inspection.~~

4 ~~(g) Whenever any form is filed pursuant to this section, it~~
5 ~~supersedes any previously filed form.~~

6 ~~(h) The Secretary of State may destroy or otherwise dispose of~~
7 ~~any form filed pursuant to this section after it has been superseded~~
8 ~~by the filing of a new form.~~

9
10 CHAPTER 7. ASSESSMENTS AND ASSESSMENT COLLECTION

11
12 Article 1. Establishment and Imposition of Assessments

13
14 6800. The association shall levy regular and special assessments
15 sufficient to perform its obligations under the governing documents
16 and this act.

17 6804. (a) Regular assessments imposed or collected to perform
18 the obligations of an association under the governing documents
19 or this act shall be exempt from execution by a judgment creditor
20 of the association only to the extent necessary for the association
21 to perform essential services, such as paying for utilities and
22 insurance. In determining the appropriateness of an exemption, a
23 court shall ensure that only essential services are protected under
24 this subdivision.

25 (b) This exemption shall not apply to any consensual pledges,
26 liens, or encumbrances that have been approved by a majority of
27 a quorum of members, pursuant to Section 6524, at a member
28 meeting or election, or to any state tax lien, or to any lien for labor
29 or materials supplied to the common area.

30
31 Article 2. Assessment Payment and Delinquency

32
33 6808. ~~(a) A regular or special assessment and any late charges,~~
34 ~~reasonable fees and costs of collection, reasonable attorney's fees,~~
35 ~~if any, and interest, if any, as determined in accordance with~~
36 ~~subdivision (b), shall be a debt of the owner of the separate interest~~
37 ~~at the time the assessment or other sums are levied.~~

38 ~~(b) Associations are hereby exempted from interest-rate~~
39 ~~limitations imposed by Article XV of the California Constitution,~~
40 ~~subject to the limitations of this section.~~

6810. (a) When an owner of a separate interest makes a payment toward an assessment, the owner may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it.

(b) The association shall provide a mailing address for overnight payment of assessments.

(c) An owner shall not be liable for any charges, interest, or costs of collection for an assessment payment that is asserted to be delinquent, if it is determined the assessment was paid on time to the association.

6812. At least 30 days prior to recording a lien upon the separate interest of the owner of record to collect a debt that is past due under Section 6808, the association shall notify the owner of record in writing by certified mail of the following:

(a) A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount, a statement that the owner of the separate interest has the right to inspect the association records pursuant to Section 8333 of the Corporations Code, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed:

“IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.”

(b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney’s fees, any late charges, and interest, if any.

(c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association.

6814. (a) The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with ~~subdivision (b) of~~ Section 6808, shall be a lien on the owner’s separate interest in the common interest development from and after the time the association causes to be recorded with the county recorder of the county in which the separate interest is located, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with ~~subdivision (b) of~~ Section 6808, a legal description of the owner’s

1 separate interest in the common interest development against which
2 the assessment and other sums are levied, and the name of the
3 record owner of the separate interest in the common interest
4 development against which the lien is imposed.

5 (b) The itemized statement of the charges owed by the owner
6 described in subdivision (b) of Section 6812 shall be recorded
7 together with the notice of delinquent assessment.

8 (c) In order for the lien to be enforced by nonjudicial foreclosure
9 as provided in Sections 6820 and 6822, the notice of delinquent
10 assessment shall state the name and address of the trustee
11 authorized by the association to enforce the lien by sale.

12 (d) The notice of delinquent assessment shall be signed by the
13 person designated in the declaration or by the association for that
14 purpose, or if no one is designated, by the president of the
15 association.

16 (e) A copy of the recorded notice of delinquent assessment shall
17 be mailed by certified mail to every person whose name is shown
18 as an owner of the separate interest in the association's records,
19 and the notice shall be mailed no later than 10 calendar days after
20 recordation.

21 6816. A lien created pursuant to Section 6814 shall be prior to
22 all other liens recorded subsequent to the notice of delinquent
23 assessment, except that the declaration may provide for the
24 subordination thereof to any other liens and encumbrances.

25 6818. (a) Within 21 days of the payment of the sums specified
26 in the notice of delinquent assessment, the association shall record
27 or cause to be recorded in the office of the county recorder in which
28 the notice of delinquent assessment is recorded a lien release or
29 notice of rescission and provide the owner of the separate interest
30 a copy of the lien release or notice that the delinquent assessment
31 has been satisfied.

32 (b) If it is determined that a lien previously recorded against the
33 separate interest was recorded in error, the party who recorded the
34 lien shall, within 21 calendar days, record or cause to be recorded
35 in the office of the county recorder in which the notice of
36 delinquent assessment is recorded a lien release or notice of
37 rescission and provide the owner of the separate interest with a
38 declaration that the lien filing or recording was in error and a copy
39 of the lien release or notice of rescission.

6819. An association that fails to comply with the procedures set forth in this section shall, prior to recording a lien, recommence the required notice process. Any costs associated with recommencing the notice process shall be borne by the association and not by the owner of a separate interest.

Article 3. Assessment Collection

6820. (a) Except as otherwise provided in this article, after the expiration of 30 days following the recording of a lien created pursuant to Section 6814, the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Section 2934a.

(b) Nothing in Article 2 (commencing with Section 6808) or in subdivision (a) of Section 726 of the Code of Civil Procedure prohibits actions against the owner of a separate interest to recover sums for which a lien is created pursuant to Article 2 (commencing with Section 6808) or prohibits an association from taking a deed in lieu of foreclosure.

6822. (a) Any sale by the trustee shall be conducted in accordance with Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trust.

(b) In addition to the requirements of Section 2924, the association shall serve a notice of default on the person named as the owner of the separate interest in the association's records or, if that person has designated a legal representative pursuant to this subdivision, on that legal representative. Service shall be in accordance with the manner of service of summons in Article 3 (commencing with Section 415.10) of Chapter 4 of Title 5 of Part 2 of the Code of Civil Procedure. An owner may designate a legal representative in a writing that is mailed to the association in a manner that indicates that the association has received it.

(c) The fees of a trustee may not exceed the amounts prescribed in Sections 2924c and 2924d, plus the cost of service for the notice of default pursuant to subdivision (b).

6824. (a) A monetary charge imposed by the association as a means of reimbursing the association for costs incurred by the association in the repair of damage to common-area areas and facilities caused by a member or the member's guest or tenant may

1 become a lien against the member's separate interest enforceable
2 by the sale of the interest under Sections 2924, 2924b, and 2924c,
3 provided the authority to impose a lien is set forth in the governing
4 documents.

5 (b) A monetary penalty imposed by the association as a
6 disciplinary measure for failure of a member to comply with the
7 governing documents, except for the late payments, may not be
8 characterized nor treated in the governing documents as an
9 assessment that may become a lien against the member's separate
10 interest enforceable by the sale of the interest under Sections 2924,
11 2924b, and 2924c.

12 6826. (a) An association may not voluntarily assign or pledge
13 the association's right to collect payments or assessments, or to
14 enforce or foreclose a lien to a third party, except when the
15 assignment or pledge is made to a financial institution or lender
16 chartered or licensed under federal or state law, when acting within
17 the scope of that charter or license, as security for a loan obtained
18 by the association.

19 (b) Nothing in subdivision (a) restricts the right or ability of an
20 association to assign any unpaid obligations of a former member
21 to a third party for purposes of collection.

22 6828. (a) Except as otherwise provided, this article applies to
23 a lien created on or after January 1, 2014.

24 (b) A lien created before January 1, 2014, is governed by the
25 law in existence at the time the lien was created.

26
27 CHAPTER 8. INSURANCE AND LIABILITY
28

29 6840. (a) It is the intent of the Legislature to offer civil liability
30 protection to owners of the separate interests in a common interest
31 development that have common area owned in tenancy in common
32 if the association carries a certain level of prescribed insurance
33 that covers a cause of action in tort.

34 (b) Any cause of action in tort against any owner of a separate
35 interest arising solely by reason of an ownership interest as a tenant
36 in common in the common area of a common interest development
37 shall be brought only against the association and not against the
38 individual owners of the separate interests, if both of the insurance
39 requirements in paragraphs (1) and (2) are met:

1 (1) The association maintained and has in effect for this cause
2 of action, one or more policies of insurance that include coverage
3 for general liability of the association.

4 (2) The coverage described in paragraph (1) is in the following
5 minimum amounts:

6 (A) At least two million dollars (\$2,000,000) if the common
7 interest development consists of 100 or fewer separate interests.

8 (B) At least three million dollars (\$3,000,000) if the common
9 interest development consists of more than 100 separate interests.

10
11 CHAPTER 9. DISPUTE RESOLUTION AND ENFORCEMENT
12

13 Article 1. Disciplinary Action
14

15 6850. (a) If an association adopts or has adopted a policy
16 imposing any monetary penalty, including any fee, on any
17 association member for a violation of the governing documents,
18 including any monetary penalty relating to the activities of a guest
19 or tenant of the member, the board shall adopt and distribute to
20 each member, by individual notice, a schedule of the monetary
21 penalties that may be assessed for those violations, which shall be
22 in accordance with authorization for member discipline contained
23 in the governing documents.

24 (b) Any new or revised monetary penalty that is adopted after
25 complying with subdivision (a) may be included in a supplement
26 that is delivered to the members individually, pursuant to Section
27 6553.

28 (c) A monetary penalty for a violation of the governing
29 documents shall not exceed the monetary penalty stated in the
30 schedule of monetary penalties or supplement that is in effect at
31 the time of the violation.

32 (d) An association shall provide a copy of the most recently
33 distributed schedule of monetary penalties, along with any
34 applicable supplements to that schedule, to any member on request.

35 6854. Nothing in Section 6850 shall be construed to create,
36 expand, or reduce the authority of the board to impose monetary
37 penalties on a member for a violation of the governing documents.

Article 2. Civil Actions

6856. (a) The covenants and restrictions in the declaration shall be enforceable equitable servitudes, unless unreasonable, and shall inure to the benefit of and bind all owners of separate interests in the development. Unless the declaration states otherwise, these servitudes may be enforced by any owner of a separate interest or by the association, or by both.

(b) A governing document other than the declaration may be enforced by the association against an owner of a separate interest or by an owner of a separate interest against the association.

6858. An association has standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it, the members, in matters pertaining to the following:

(a) Enforcement of the governing documents.

(b) Damage to the common area.

(c) Damage to a separate interest that the association is obligated to maintain or repair.

(d) Damage to a separate interest that arises out of, or is integrally related to, damage to the common area or a separate interest that the association is obligated to maintain or repair.

6860. (a) In an action maintained by an association pursuant to subdivision (b), (c), or (d) of Section 6858, the amount of damages recovered by the association shall be reduced by the amount of damages allocated to the association or its managing agents in direct proportion to their percentage of fault based upon principles of comparative fault. The comparative fault of the association or its managing agents may be raised by way of defense, but shall not be the basis for a cross-action or separate action against the association or its managing agents for contribution or implied indemnity, where the only damage was sustained by the association or its members. It is the intent of the Legislature in enacting this subdivision to require that comparative fault be pleaded as an affirmative defense, rather than a separate cause of action, where the only damage was sustained by the association or its members.

(b) In an action involving damages described in subdivision (b), (c), or (d) of Section 6858, the defendant or cross-defendant may allege and prove the comparative fault of the association or its

1 managing agents as a setoff to the liability of the defendant or
2 cross-defendant even if the association is not a party to the
3 litigation or is no longer a party whether by reason of settlement,
4 dismissal, or otherwise.

5 (c) Subdivisions (a) and (b) apply to actions commenced on or
6 after January 1, 1993.

7 (d) Nothing in this section affects a person's liability under
8 Section 1431, or the liability of the association or its managing
9 agent for an act or omission that causes damages to another.

10
11 CHAPTER 10. CONSTRUCTION DEFECT LITIGATION
12

13 6870. (a) Before an association files a complaint for damages
14 against a builder, developer, or general contractor (respondent) of
15 a common interest development based upon a claim for defects in
16 the design or construction of the common interest development,
17 all of the requirements of this section shall be satisfied with respect
18 to the builder, developer, or general contractor.

19 (b) The association shall serve upon the respondent a "Notice
20 of Commencement of Legal Proceedings." The notice shall be
21 served by certified mail to the registered agent of the respondent,
22 or if there is no registered agent, then to any officer of the
23 respondent. If there are no current officers of the respondent,
24 service shall be upon the person or entity otherwise authorized by
25 law to receive service of process. Service upon the general
26 contractor shall be sufficient to initiate the process set forth in this
27 section with regard to any builder or developer, if the builder or
28 developer is not amenable to service of process by the foregoing
29 methods. This notice shall toll all applicable statutes of limitation
30 and repose, whether contractual or statutory, by and against all
31 potentially responsible parties, regardless of whether they were
32 named in the notice, including claims for indemnity applicable to
33 the claim for the period set forth in subdivision (c). The notice
34 shall include all of the following:

- 35 (1) The name and location of the project.
36 (2) An initial list of defects sufficient to apprise the respondent
37 of the general nature of the defects at issue.
38 (3) A description of the results of the defects, if known.
39 (4) A summary of the results of a survey or questionnaire
40 distributed to owners to determine the nature and extent of defects,

1 if a survey has been conducted or a questionnaire has been
2 distributed.

3 (5) Either a summary of the results of testing conducted to
4 determine the nature and extent of defects or the actual test results,
5 if that testing has been conducted.

6 (c) Service of the notice shall commence a period, not to exceed
7 180 days, during which the association, the respondent, and all
8 other participating parties shall try to resolve the dispute through
9 the processes set forth in this section. This 180-day period may be
10 extended for one additional period, not to exceed 180 days, only
11 upon the mutual agreement of the association, the respondent, and
12 any parties not deemed peripheral pursuant to paragraph (3) of
13 subdivision (e). Any extensions beyond the first extension shall
14 require the agreement of all participating parties. Unless extended,
15 the dispute resolution process prescribed by this section shall be
16 deemed completed. All extensions shall continue the tolling period
17 described in subdivision (b).

18 (d) Within 25 days of the date the association serves the Notice
19 of Commencement of Legal Proceedings, the respondent may
20 request in writing to meet and confer with the board. Unless the
21 respondent and the association otherwise agree, there shall be not
22 more than one meeting, which shall take place no later than 10
23 days from the date of the respondent's written request, at a mutually
24 agreeable time and place. The meeting may be conducted in
25 executive session, excluding the association's members. The
26 discussions at the meeting are privileged communications and are
27 not admissible in evidence in any civil action, unless the association
28 and the respondent consent in writing to their admission.

29 (e) Upon receipt of the notice, the respondent shall, within 60
30 days, comply with the following:

31 (1) The respondent shall provide the association with access to,
32 for inspection and copying of, all plans and specifications,
33 subcontracts, and other construction files for the project that are
34 reasonably calculated to lead to the discovery of admissible
35 evidence regarding the defects claimed. The association shall
36 provide the respondent with access to, for inspection and copying
37 of, all files reasonably calculated to lead to the discovery of
38 admissible evidence regarding the defects claimed, including all
39 reserve studies, maintenance records and any survey questionnaires,
40 or results of testing to determine the nature and extent of defects.

1 To the extent any of the above documents are withheld based on
2 privilege, a privilege log shall be prepared and submitted to all
3 other parties. All other potentially responsible parties shall have
4 the same rights as the respondent regarding the production of
5 documents upon receipt of written notice of the claim, and shall
6 produce all relevant documents within 60 days of receipt of the
7 notice of the claim.

8 (2) The respondent shall provide written notice by certified mail
9 to all subcontractors, design professionals, their insurers, and the
10 insurers of any additional insured whose identities are known to
11 the respondent or readily ascertainable by review of the project
12 files or other similar sources and whose potential responsibility
13 appears on the face of the notice. This notice to subcontractors,
14 design professionals, and insurers shall include a copy of the Notice
15 of Commencement of Legal Proceedings, and shall specify the
16 date and manner by which the parties shall meet and confer to
17 select a dispute resolution facilitator pursuant to paragraph (1) of
18 subdivision (f), advise the recipient of its obligation to participate
19 in the meet and confer or serve a written acknowledgment of receipt
20 regarding this notice, advise the recipient that it will waive any
21 challenge to selection of the dispute resolution facilitator if it elects
22 not to participate in the meet and confer, advise the recipient that
23 it may seek the assistance of an attorney, and advise the recipient
24 that it should contact its insurer, if any. Any subcontractor or design
25 professional, or insurer for that subcontractor, design professional,
26 or additional insured, who receives written notice from the
27 respondent regarding the meet and confer shall, prior to the meet
28 and confer, serve on the respondent a written acknowledgment of
29 receipt. That subcontractor or design professional shall, within 10
30 days of service of the written acknowledgment of receipt, provide
31 to the association and the respondent a Statement of Insurance that
32 includes both of the following:

33 (A) The names, addresses, and contact persons, if known, of all
34 insurance carriers, whether primary or excess and regardless of
35 whether a deductible or self-insured retention applies, whose
36 policies were in effect from the commencement of construction
37 of the subject project to the present and which potentially cover
38 the subject claims.

39 (B) The applicable policy numbers for each policy of insurance
40 provided.

(3) Any subcontractor or design professional, or insurer for that subcontractor, design professional, or additional insured, who so chooses, may, at any time, make a written request to the dispute resolution facilitator for designation as a peripheral party. That request shall be served contemporaneously on the association and the respondent. If no objection to that designation is received within 15 days, or upon rejection of that objection, the dispute resolution facilitator shall designate that subcontractor or design professional as a peripheral party, and shall thereafter seek to limit the attendance of that subcontractor or design professional only to those dispute resolution sessions deemed peripheral party sessions or to those sessions during which the dispute resolution facilitator believes settlement as to peripheral parties may be finalized. Nothing in this subdivision shall preclude a party who has been designated a peripheral party from being reclassified as a nonperipheral party, nor shall this subdivision preclude a party designated as a nonperipheral party from being reclassified as a peripheral party after notice to all parties and an opportunity to object. For purposes of this subdivision, a peripheral party is a party having total claimed exposure of less than twenty-five thousand dollars (\$25,000).

(f) (1) Within 20 days of sending the notice set forth in paragraph (2) of subdivision (e), the association, respondent, subcontractors, design professionals, and their insurers who have been sent a notice as described in paragraph (2) of subdivision (e) shall meet and confer in an effort to select a dispute resolution facilitator to preside over the mandatory dispute resolution process prescribed by this section. Any subcontractor or design professional who has been given timely notice of this meeting but who does not participate, waives any challenge he or she may have as to the selection of the dispute resolution facilitator. The role of the dispute resolution facilitator is to attempt to resolve the conflict in a fair manner. The dispute resolution facilitator shall be sufficiently knowledgeable in the subject matter and be able to devote sufficient time to the case. The dispute resolution facilitator shall not be required to reside in or have an office in the county in which the project is located. The dispute resolution facilitator and the participating parties shall agree to a date, time, and location to hold a case management meeting of all parties and the dispute resolution facilitator, to discuss the claims being asserted and the

1 scheduling of events under this section. The case management
2 meeting with the dispute resolution facilitator shall be held within
3 100 days of service of the Notice of Commencement of Legal
4 Proceedings at a location in the county where the project is located.
5 Written notice of the case management meeting with the dispute
6 resolution facilitator shall be sent by the respondent to the
7 association, subcontractors and design professionals, and their
8 insurers who are known to the respondent to be on notice of the
9 claim, no later than 10 days prior to the case management meeting,
10 and shall specify its date, time, and location. The dispute resolution
11 facilitator in consultation with the respondent shall maintain a
12 contact list of the participating parties.

13 (2) No later than 10 days prior to the case management meeting,
14 the dispute resolution facilitator shall disclose to the parties all
15 matters that could cause a person aware of the facts to reasonably
16 entertain a doubt that the proposed dispute resolution facilitator
17 would be able to resolve the conflict in a fair manner. The
18 facilitator's disclosure shall include the existence of any ground
19 specified in Section 170.1 of the Code of Civil Procedure for
20 disqualification of a judge, any attorney-client relationship the
21 facilitator has or had with any party or lawyer for a party to the
22 dispute resolution process, and any professional or significant
23 personal relationship the facilitator or his or her spouse or minor
24 child living in the household has or had with any party to the
25 dispute resolution process. The disclosure shall also be provided
26 to any subsequently noticed subcontractor or design professional
27 within 10 days of the notice.

28 (3) A dispute resolution facilitator shall be disqualified by the
29 court if he or she fails to comply with this subdivision and any
30 party to the dispute resolution process serves a notice of
31 disqualification prior to the case management meeting. If the
32 dispute resolution facilitator complies with this subdivision, he or
33 she shall be disqualified by the court on the basis of the disclosure
34 if any party to the dispute resolution process serves a notice of
35 disqualification prior to the case management meeting.

36 (4) If the parties cannot mutually agree to a dispute resolution
37 facilitator, then each party shall submit a list of three dispute
38 resolution facilitators. Each party may then strike one nominee
39 from the other parties' list, and petition the court, pursuant to the
40 procedure described in subdivisions (n) and (o), for final selection

1 of the dispute resolution facilitator. The court may issue an order
2 for final selection of the dispute resolution facilitator pursuant to
3 this paragraph.

4 (5) Any subcontractor or design professional who receives notice
5 of the association's claim without having previously received
6 timely notice of the meet and confer to select the dispute resolution
7 facilitator shall be notified by the respondent regarding the name,
8 address, and telephone number of the dispute resolution facilitator.
9 Any such subcontractor or design professional may serve upon
10 the parties and the dispute resolution facilitator a written objection
11 to the dispute resolution facilitator within 15 days of receiving
12 notice of the claim. Within seven days after service of this
13 objection, the subcontractor or design professional may petition
14 the superior court to replace the dispute resolution facilitator. The
15 court may replace the dispute resolution facilitator only upon a
16 showing of good cause, liberally construed. Failure to satisfy the
17 deadlines set forth in this subdivision shall constitute a waiver of
18 the right to challenge the dispute resolution facilitator.

19 (6) The costs of the dispute resolution facilitator shall be
20 apportioned in the following manner: one-third to be paid by the
21 association; one-third to be paid by the respondent; and one-third
22 to be paid by the subcontractors and design professionals, as
23 allocated among them by the dispute resolution facilitator. The
24 costs of the dispute resolution facilitator shall be recoverable by
25 the prevailing party in any subsequent litigation pursuant to Section
26 1032 of the Code of Civil Procedure, provided however that any
27 nonsettling party may, prior to the filing of the complaint, petition
28 the facilitator to reallocate the costs of the dispute resolution
29 facilitator as they apply to any nonsettling party. The determination
30 of the dispute resolution facilitator with respect to the allocation
31 of these costs shall be binding in any subsequent litigation. The
32 dispute resolution facilitator shall take into account all relevant
33 factors and equities between all parties in the dispute resolution
34 process when reallocating costs.

35 (7) In the event the dispute resolution facilitator is replaced at
36 any time, the case management statement created pursuant to
37 subdivision (h) shall remain in full force and effect.

38 (8) The dispute resolution facilitator shall be empowered to
39 enforce all provisions of this section.

(g) (1) No later than the case management meeting, the parties shall begin to generate a data compilation showing the following information regarding the alleged defects at issue:

(A) The scope of the work performed by each potentially responsible subcontractor.

(B) The tract or phase number in which each subcontractor provided goods or services, or both.

(C) The units, either by address, unit number, or lot number, at which each subcontractor provided goods or services, or both.

(2) This data compilation shall be updated as needed to reflect additional information. Each party attending the case management meeting, and any subsequent meeting pursuant to this section, shall provide all information available to that party relevant to this data compilation.

(h) At the case management meeting, the parties shall, with the assistance of the dispute resolution facilitator, reach agreement on a case management statement, which shall set forth all of the elements set forth in paragraphs (1) to (8), inclusive, except that the parties may dispense with one or more of these elements if they agree that it is appropriate to do so. The case management statement shall provide that the following elements shall take place in the following order:

(1) Establishment of a document depository, located in the county where the project is located, for deposit of documents, defect lists, demands, and other information provided for under this section. All documents exchanged by the parties and all documents created pursuant to this subdivision shall be deposited in the document depository, which shall be available to all parties throughout the prefilings dispute resolution process and in any subsequent litigation. When any document is deposited in the document depository, the party depositing the document shall provide written notice identifying the document to all other parties. The costs of maintaining the document depository shall be apportioned among the parties in the same manner as the costs of the dispute resolution facilitator.

(2) Provision of a more detailed list of defects by the association to the respondent after the association completes a visual inspection of the project. This list of defects shall provide sufficient detail for the respondent to ensure that all potentially responsible subcontractors and design professionals are provided with notice

1 of the dispute resolution process. If not already completed prior
2 to the case management meeting, the Notice of Commencement
3 of Legal Proceedings shall be served by the respondent on all
4 additional subcontractors and design professionals whose potential
5 responsibility appears on the face of the more detailed list of
6 defects within seven days of receipt of the more detailed list. The
7 respondent shall serve a copy of the case management statement,
8 including the name, address, and telephone number of the dispute
9 resolution facilitator, to all the potentially responsible
10 subcontractors and design professionals at the same time.

11 (3) Nonintrusive visual inspection of the project by the
12 respondent, subcontractors, and design professionals.

13 (4) Invasive testing conducted by the association, if the
14 association deems appropriate. All parties may observe and
15 photograph any testing conducted by the association pursuant to
16 this paragraph, but may not take samples or direct testing unless,
17 by mutual agreement, costs of testing are shared by the parties.

18 (5) Provision by the association of a comprehensive demand
19 which provides sufficient detail for the parties to engage in
20 meaningful dispute resolution as contemplated under this section.

21 (6) Invasive testing conducted by the respondent, subcontractors,
22 and design professionals, if they deem appropriate.

23 (7) Allowance for modification of the demand by the association
24 if new issues arise during the testing conducted by the respondent,
25 ~~subcontractor~~ *subcontractors*, or design professionals.

26 (8) Facilitated dispute resolution of the claim, with all parties,
27 including peripheral parties, as appropriate, and insurers, if any,
28 present and having settlement authority. The dispute resolution
29 facilitators shall endeavor to set specific times for the attendance
30 of specific parties at dispute resolution sessions. If the dispute
31 resolution facilitator does not set specific times for the attendance
32 of parties at dispute resolution sessions, the dispute resolution
33 facilitator shall permit those parties to participate in dispute
34 resolution sessions by telephone.

35 (i) In addition to the foregoing elements of the case management
36 statement described in subdivision (h), upon mutual agreement of
37 the parties, the dispute resolution facilitator may include any or
38 all of the following elements in a case management statement: the
39 exchange of consultant or expert photographs; expert presentations;

1 expert meetings; or any other mechanism deemed appropriate by
2 the parties in the interest of resolving the dispute.

3 (j) The dispute resolution facilitator, with the guidance of the
4 parties, shall at the time the case management statement is
5 established, set deadlines for the occurrence of each event set forth
6 in the case management statement, taking into account such factors
7 as the size and complexity of the case, and the requirement of this
8 section that this dispute resolution process not exceed 180 days
9 absent agreement of the parties to an extension of time.

10 (k) (1) At a time to be determined by the dispute resolution
11 facilitator, the respondent may submit to the association all of the
12 following:

13 (A) A request to meet with the board to discuss a written
14 settlement offer.

15 (B) A written settlement offer, and a concise explanation of the
16 reasons for the terms of the offer.

17 (C) A statement that the respondent has access to sufficient
18 funds to satisfy the conditions of the settlement offer.

19 (D) A summary of the results of testing conducted for the
20 purposes of determining the nature and extent of defects, if this
21 testing has been conducted, unless the association provided the
22 respondent with actual test results.

23 (2) If the respondent does not timely submit the items required
24 by this subdivision, the association shall be relieved of any further
25 obligation to satisfy the requirements of this subdivision only.

26 (3) No less than 10 days after the respondent submits the items
27 required by this paragraph, the respondent and the board shall meet
28 and confer about the respondent's settlement offer.

29 (4) If the board rejects a settlement offer presented at the
30 meeting held pursuant to this subdivision, the board shall hold a
31 meeting open to each member of the association. The meeting
32 shall be held no less than 15 days before the association
33 commences an action for damages against the respondent.

34 (5) No less than 15 days before this meeting is held, a written
35 notice shall be sent to each member of the association specifying
36 all of the following:

37 (A) That a meeting will take place to discuss problems that may
38 lead to the filing of a civil action, and the time and place of this
39 meeting.

1 (B) The options that are available to address the problems,
2 including the filing of a civil action and a statement of the various
3 alternatives that are reasonably foreseeable by the association to
4 pay for those options and whether these payments are expected to
5 be made from the use of reserve account funds or the imposition
6 of regular or special assessments, or emergency assessment
7 increases.

8 (C) The complete text of any written settlement offer, and a
9 concise explanation of the specific reasons for the terms of the
10 offer submitted to the board at the meeting held pursuant to
11 subdivision (d) that was received from the respondent.

12 (6) The respondent shall pay all expenses attributable to sending
13 the settlement offer to all members of the association. The
14 respondent shall also pay the expense of holding the meeting, not
15 to exceed three dollars (\$3) per association member.

16 (7) The discussions at the meeting and the contents of the notice
17 and the items required to be specified in the notice pursuant to
18 paragraph (5) are privileged communications and are not admissible
19 in evidence in any civil action, unless the association consents to
20 their admission.

21 (8) No more than one request to meet and discuss a written
22 settlement offer may be made by the respondent pursuant to this
23 subdivision.

24 (l) All defect lists and demands, communications, negotiations,
25 and settlement offers made in the course of the prelitigation dispute
26 resolution process provided by this section shall be inadmissible
27 pursuant to Sections 1119 to 1124, inclusive, of the Evidence Code
28 and all applicable decisional law. This inadmissibility shall not be
29 extended to any other documents or communications which would
30 not otherwise be deemed inadmissible.

31 (m) Any subcontractor or design professional may, at any time,
32 petition the dispute resolution facilitator to release that party from
33 the dispute resolution process upon a showing that the
34 subcontractor or design professional is not potentially responsible
35 for the defect claims at issue. The petition shall be served
36 contemporaneously on all other parties, who shall have 15 days
37 from the date of service to object. If a subcontractor or design
38 professional is released, and it later appears to the dispute
39 resolution facilitator that it may be a responsible party in light of
40 the current defect list or demand, the respondent shall renounce the

1 party as provided by paragraph (2) of subdivision (e), provide a
2 copy of the current defect list or demand, and direct the party to
3 attend a dispute resolution session at a stated time and location. A
4 party who subsequently appears after having been released by the
5 dispute resolution facilitator shall not be prejudiced by its absence
6 from the dispute resolution process as the result of having been
7 previously released by the dispute resolution facilitator.

8 (n) Any party may, at any time, petition the superior court in
9 the county where the project is located, upon a showing of good
10 cause, and the court may issue an order, for any of the following,
11 or for appointment of a referee to resolve a dispute regarding any
12 of the following:

13 (1) To take a deposition of any party to the process, or subpoena
14 a third party for deposition or production of documents, which is
15 necessary to further prelitigation resolution of the dispute.

16 (2) To resolve any disputes concerning inspection, testing,
17 production of documents, or exchange of information provided
18 for under this section.

19 (3) To resolve any disagreements relative to the timing or
20 contents of the case management statement.

21 (4) To authorize internal extensions of timeframes set forth in
22 the case management statement.

23 (5) To seek a determination that a settlement is a good faith
24 settlement pursuant to Section 877.6 of the Code of Civil Procedure
25 and all related authorities. The page limitations and meet and confer
26 requirements specified in this section shall not apply to these
27 motions, which may be made on shortened notice. Instead, these
28 motions shall be subject to other applicable state law, rules of
29 court, and local rules. A determination made by the court pursuant
30 to this motion shall have the same force and effect as the
31 determination of a postfiling application or motion for good faith
32 settlement.

33 (6) To ensure compliance, on shortened notice, with the
34 obligation to provide a Statement of Insurance pursuant to
35 paragraph (2) of subdivision (e).

36 (7) For any other relief appropriate to the enforcement of the
37 provisions of this section, including the ordering of parties, and
38 insurers, if any, to the dispute resolution process with settlement
39 authority.

1 (o) (1) A petition filed pursuant to subdivision (n) shall be filed
2 in the superior court in the county in which the project is located.
3 The court shall hear and decide the petition within 10 days after
4 filing. The petitioning party shall serve the petition on all parties,
5 including the date, time, and location of the hearing no later than
6 five business days prior to the hearing. Any responsive papers
7 shall be filed and served no later than three business days prior to
8 the hearing. Any petition or response filed under this section shall
9 be no more than three pages in length.

10 (2) All parties shall meet with the dispute resolution facilitator,
11 if one has been appointed and confer in person or by the telephone
12 prior to the filing of that petition to attempt to resolve the matter
13 without requiring court intervention.

14 (p) As used in this section:

15 (1) “Association” shall have the same meaning as defined in
16 Section 6528.

17 (2) “Builder” means the declarant, as defined in Section 6544.

18 (3) “Common interest development” shall have the same
19 meaning as in Section 6534, except that it shall not include
20 developments or projects with less than 20 units.

21 (q) The alternative dispute resolution process and procedures
22 described in this section shall have no application or legal effect
23 other than as described in this section.

24 (r) This section shall become operative on July 1, 2002, however
25 it shall not apply to any pending suit or claim for which notice has
26 previously been given.

27 (s) This section shall become inoperative on July 1, 2017, and,
28 as of January 1, 2018, is repealed, unless a later enacted statute,
29 that becomes operative on or before January 1, 2018, deletes or
30 extends the dates on which it becomes inoperative and is repealed.

31 6874. (a) As soon as is reasonably practicable after the
32 association and the builder have entered into a settlement
33 agreement or the matter has otherwise been resolved regarding
34 alleged defects in the common areas, alleged defects in the separate
35 interests that the association is obligated to maintain or repair, or
36 alleged defects in the separate interests that arise out of, or are
37 integrally related to, defects in the common areas or separate
38 interests that the association is obligated to maintain or repair,
39 where the defects giving rise to the dispute have not been corrected,
40 the association shall, in writing, inform only the members of the

1 association whose names appear on the records of the association
2 that the matter has been resolved, by settlement agreement or other
3 means, and disclose all of the following:

4 (1) A general description of the defects that the association
5 reasonably believes, as of the date of the disclosure, will be
6 corrected or replaced.

7 (2) A good faith estimate, as of the date of the disclosure, of
8 when the association believes that the defects identified in
9 paragraph (1) will be corrected or replaced. The association may
10 state that the estimate may be modified.

11 (3) The status of the claims for defects in the design or
12 construction of the common interest development that were not
13 identified in paragraph (1) whether expressed in a preliminary list
14 of defects sent to each member of the association or otherwise
15 claimed and disclosed to the members of the association.

16 (b) Nothing in this section shall preclude an association from
17 amending the disclosures required pursuant to subdivision (a), and
18 any amendments shall supersede any prior conflicting information
19 disclosed to the members of the association and shall retain any
20 privilege attached to the original disclosures.

21 (c) Disclosure of the information required pursuant to
22 subdivision (a) or authorized by subdivision (b) shall not waive
23 any privilege attached to the information.

24 (d) For the purposes of the disclosures required pursuant to this
25 section, the term “defects” shall be defined to include any damage
26 resulting from defects.

27 6876. (a) Not later than 30 days prior to the filing of any civil
28 action by the association against the declarant or other developer
29 of a common interest development for alleged damage to the
30 common areas, alleged damage to the separate interests that the
31 association is obligated to maintain or repair, or alleged damage
32 to the separate interests that arises out of, or is integrally related
33 to, damage to the common areas or separate interests that the
34 association is obligated to maintain or repair, the board shall
35 provide a written notice to each member of the association who
36 appears on the records of the association when the notice is
37 provided. This notice shall specify all of the following:

38 (1) That a meeting will take place to discuss problems that may
39 lead to the filing of a civil action.

1 (2) The options, including civil actions, that are available to
2 address the problems.

3 (3) The time and place of this meeting.

4 (b) Notwithstanding subdivision (a), if the association has reason
5 to believe that the applicable statute of limitations will expire
6 before the association files the civil action, the association may
7 give the notice, as described above, within 30 days after the filing
8 of the action.

9 SEC. 20. Section 86 of the Code of Civil Procedure, as
10 amended by Section 42 of Chapter 181 of the Statutes of 2012, is
11 amended to read:

12 86. (a) The following civil cases and proceedings are limited
13 civil cases:

14 (1) A case at law in which the demand, exclusive of interest, or
15 the value of the property in controversy amounts to twenty-five
16 thousand dollars (\$25,000) or less. This paragraph does not apply
17 to a case that involves the legality of any tax, impost, assessment,
18 toll, or municipal fine, except an action to enforce payment of
19 delinquent unsecured personal property taxes if the legality of the
20 tax is not contested by the defendant.

21 (2) An action for dissolution of partnership where the total assets
22 of the partnership do not exceed twenty-five thousand dollars
23 (\$25,000); an action of interpleader where the amount of money
24 or the value of the property involved does not exceed twenty-five
25 thousand dollars (\$25,000).

26 (3) An action to cancel or rescind a contract when the relief is
27 sought in connection with an action to recover money not
28 exceeding twenty-five thousand dollars (\$25,000) or property of
29 a value not exceeding twenty-five thousand dollars (\$25,000), paid
30 or delivered under, or in consideration of, the contract; an action
31 to revise a contract where the relief is sought in an action upon the
32 contract if the action otherwise is a limited civil case.

33 (4) A proceeding in forcible entry or forcible or unlawful
34 detainer where the whole amount of damages claimed is
35 twenty-five thousand dollars (\$25,000) or less.

36 (5) An action to enforce and foreclose a lien on personal
37 property where the amount of the lien is twenty-five thousand
38 dollars (\$25,000) or less.

39 (6) An action to enforce and foreclose, or a petition to release,
40 a lien arising under Chapter 4 (commencing with Section 8400)

1 of Title 2 of Part 6 of Division 4 of the Civil Code, or to enforce
2 and foreclose an assessment lien on a common interest
3 development as defined in Section 4100 or 6534 of the Civil Code,
4 where the amount of the liens is twenty-five thousand dollars
5 (\$25,000) or less. However, if an action to enforce the lien affects
6 property that is also affected by a similar pending action that is
7 not a limited civil case, or if the total amount of liens sought to be
8 foreclosed against the same property aggregates an amount in
9 excess of twenty-five thousand dollars (\$25,000), the action is not
10 a limited civil case.

11 (7) An action for declaratory relief when brought pursuant to
12 either of the following:

13 (A) By way of cross-complaint as to a right of indemnity with
14 respect to the relief demanded in the complaint or a cross-complaint
15 in an action or proceeding that is otherwise a limited civil case.

16 (B) To conduct a trial after a nonbinding fee arbitration between
17 an attorney and client, pursuant to Article 13 (commencing with
18 Section 6200) of Chapter 4 of Division 3 of the Business and
19 Professions Code, where the amount in controversy is twenty-five
20 thousand dollars (\$25,000) or less.

21 (8) An action to issue a temporary restraining order or
22 preliminary injunction; to take an account, where necessary to
23 preserve the property or rights of any party to a limited civil case;
24 to make any order or perform any act, pursuant to Title 9
25 (commencing with Section 680.010) of Part 2 (enforcement of
26 judgments) in a limited civil case; to appoint a receiver pursuant
27 to Section 564 in a limited civil case; to determine title to personal
28 property seized in a limited civil case.

29 (9) An action under Article 3 (commencing with Section
30 708.210) of Chapter 6 of Division 2 of Title 9 of Part 2 for the
31 recovery of an interest in personal property or to enforce the
32 liability of the debtor of a judgment debtor where the interest
33 claimed adversely is of a value not exceeding twenty-five thousand
34 dollars (\$25,000) or the debt denied does not exceed twenty-five
35 thousand dollars (\$25,000).

36 (10) An arbitration-related petition filed pursuant to either of
37 the following:

38 (A) Article 2 (commencing with Section 1292) of Chapter 5 of
39 Title 9 of Part 3, except for uninsured motorist arbitration
40 proceedings in accordance with Section 11580.2 of the Insurance

Code, if the petition is filed before the arbitration award becomes final and the matter to be resolved by arbitration is a limited civil case under paragraphs (1) to (9), inclusive, of subdivision (a) or if the petition is filed after the arbitration award becomes final and the amount of the award and all other rulings, pronouncements, and decisions made in the award are within paragraphs (1) to (9), inclusive, of subdivision (a).

(B) To confirm, correct, or vacate a fee arbitration award between an attorney and client that is binding or has become binding, pursuant to Article 13 (commencing with Section 6200) of Chapter 4 of Division 3 of the Business and Professions Code, where the arbitration award is twenty-five thousand dollars (\$25,000) or less.

(b) The following cases in equity are limited civil cases:

(1) A case to try title to personal property when the amount involved is not more than twenty-five thousand dollars (\$25,000).

(2) A case when equity is pleaded as a defensive matter in any case that is otherwise a limited civil case.

(3) A case to vacate a judgment or order of the court obtained in a limited civil case through extrinsic fraud, mistake, inadvertence, or excusable neglect.

SEC. 21. Section 116.540 of the Code of Civil Procedure, as amended by Section 43 of Chapter 181 of the Statutes of 2012, is amended to read:

116.540. (a) Except as permitted by this section, no individual other than the plaintiff and the defendant may take part in the conduct or defense of a small claims action.

(b) Except as additionally provided in subdivision (i), a corporation may appear and participate in a small claims action only through a regular employee, or a duly appointed or elected officer or director, who is employed, appointed, or elected for purposes other than solely representing the corporation in small claims court.

(c) A party who is not a corporation or a natural person may appear and participate in a small claims action only through a regular employee, or a duly appointed or elected officer or director, or in the case of a partnership, a partner, engaged for purposes other than solely representing the party in small claims court.

(d) If a party is an individual doing business as a sole proprietorship, the party may appear and participate in a small

1 claims action by a representative and without personally appearing
2 if both of the following conditions are met:

3 (1) The claim can be proved or disputed by evidence of an
4 account that constitutes a business record as defined in Section
5 1271 of the Evidence Code, and there is no other issue of fact in
6 the case.

7 (2) The representative is a regular employee of the party for
8 purposes other than solely representing the party in small claims
9 actions and is qualified to testify to the identity and mode of
10 preparation of the business record.

11 (e) A plaintiff is not required to personally appear, and may
12 submit declarations to serve as evidence supporting his or her claim
13 or allow another individual to appear and participate on his or her
14 behalf, if (1) the plaintiff is serving on active duty in the United
15 States Armed Forces outside this state, (2) the plaintiff was
16 assigned to his or her duty station after his or her claim arose, (3)
17 the assignment is for more than six months, (4) the representative
18 is serving without compensation, and (5) the representative has
19 appeared in small claims actions on behalf of others no more than
20 four times during the calendar year. The defendant may file a claim
21 in the same action in an amount not to exceed the jurisdictional
22 limits stated in Sections 116.220, 116.221, and 116.231.

23 (f) A party incarcerated in a county jail, a Department of
24 Corrections and Rehabilitation facility, or a Division of Juvenile
25 Facilities facility is not required to personally appear, and may
26 submit declarations to serve as evidence supporting his or her
27 claim, or may authorize another individual to appear and participate
28 on his or her behalf if that individual is serving without
29 compensation and has appeared in small claims actions on behalf
30 of others no more than four times during the calendar year.

31 (g) A defendant who is a nonresident owner of real property
32 may defend against a claim relating to that property without
33 personally appearing by (1) submitting written declarations to
34 serve as evidence supporting his or her defense, (2) allowing
35 another individual to appear and participate on his or her behalf if
36 that individual is serving without compensation and has appeared
37 in small claims actions on behalf of others no more than four times
38 during the calendar year, or (3) taking the action described in both
39 (1) and (2).

1 (h) A party who is an owner of rental real property may appear
2 and participate in a small claims action through a property agent
3 under contract with the owner to manage the rental of that property,
4 if (1) the owner has retained the property agent principally to
5 manage the rental of that property and not principally to represent
6 the owner in small claims court, and (2) the claim relates to the
7 rental property.

8 (i) A party that is an association created to manage a common
9 interest development, as defined in Section 4100 or in Sections
10 6528 and 6534 of the Civil Code, may appear and participate in a
11 small claims action through an agent, a management company
12 representative, or bookkeeper who appears on behalf of that
13 association.

14 (j) At the hearing of a small claims action, the court shall require
15 any individual who is appearing as a representative of a party under
16 subdivisions (b) to (i), inclusive, to file a declaration stating (1)
17 that the individual is authorized to appear for the party, and (2)
18 the basis for that authorization. If the representative is appearing
19 under subdivision (b), (c), (d), (h), or (i), the declaration also shall
20 state that the individual is not employed solely to represent the
21 party in small claims court. If the representative is appearing under
22 subdivision (e), (f), or (g), the declaration also shall state that the
23 representative is serving without compensation, and has appeared
24 in small claims actions on behalf of others no more than four times
25 during the calendar year.

26 (k) A husband or wife who sues or who is sued with his or her
27 spouse may appear and participate on behalf of his or her spouse
28 if (1) the claim is a joint claim, (2) the represented spouse has
29 given his or her consent, and (3) the court determines that the
30 interests of justice would be served.

31 (l) If the court determines that a party cannot properly present
32 his or her claim or defense and needs assistance, the court may in
33 its discretion allow another individual to assist that party.

34 (m) Nothing in this section shall operate or be construed to
35 authorize an attorney to participate in a small claims action except
36 as expressly provided in Section 116.530.

37 SEC. 22. Section 12191 of the Government Code is amended
38 to read:

39 12191. The miscellaneous business entity filing fees are the
40 following:

(a) Foreign Associations, as defined in Sections 170 and 171 of the Corporations Code:

(1) Filing the statement and designation upon the qualification of a foreign association pursuant to Section 2105 of the Corporations Code: One hundred dollars (\$100).

(2) Filing an amended statement and designation by a foreign association pursuant to Section 2107 of the Corporations Code: Thirty dollars (\$30).

(3) Filing a certificate showing the surrender of the right of a foreign association to transact intrastate business pursuant to Section 2112 of the Corporations Code: No fee.

(b) Unincorporated Associations:

(1) Filing a statement in accordance with Section 18200 of the Corporations Code as to principal place of office or place for sending notices or designating agent for service: Twenty-five dollars (\$25).

(2) Insignia Registrations: Ten dollars (\$10).

(c) Community Associations and Common Interest Developments:

(1) Filing a statement by a community association in accordance with Section 5405 ~~or 6760~~ of the Civil Code to register the common interest development that it manages: An amount not to exceed thirty dollars (\$30).

(2) Filing an amended statement by a community association in accordance with Section 5405 ~~or 6760~~ of the Civil Code: No fee.

SEC. 23. Section 12956.1 of the Government Code, as amended by Section 49 of Chapter 181 of the Statutes of 2012, is amended to read:

12956.1. (a) As used in this section, “association,” “governing documents,” and “declaration” have the same meanings as set forth in Sections 4080, 4135, and 4150 or Sections 6528, 6546, and 6552 of the Civil Code.

(b) (1) A county recorder, title insurance company, escrow company, real estate broker, real estate agent, or association that provides a copy of a declaration, governing document, or deed to any person shall place a cover page or stamp on the first page of the previously recorded document or documents stating, in at least 14-point boldface type, the following:

1 “If this document contains any restriction based on race, color,
2 religion, sex, gender, gender identity, gender expression, sexual
3 orientation, familial status, marital status, disability, genetic
4 information, national origin, source of income as defined in
5 subdivision (p) of Section 12955, or ancestry, that restriction
6 violates state and federal fair housing laws and is void, and may
7 be removed pursuant to Section 12956.2 of the Government Code.
8 Lawful restrictions under state and federal law on the age of
9 occupants in senior housing or housing for older persons shall not
10 be construed as restrictions based on familial status.”
11

12 (2) The requirements of paragraph (1) shall not apply to
13 documents being submitted for recordation to a county recorder.

14 (c) Any person who records a document for the express purpose
15 of adding a racially restrictive covenant is guilty of a misdemeanor.
16 The county recorder shall not incur any liability for recording the
17 document. Notwithstanding any other provision of law, a
18 prosecution for a violation of this subdivision shall commence
19 within three years after the discovery of the recording of the
20 document.

21 SEC. 24. Section 12956.2 of the Government Code, as amended
22 by Section 50 of Chapter 181 of the Statutes of 2012, is amended
23 to read:

24 12956.2. (a) A person who holds an ownership interest of
25 record in property that he or she believes is the subject of an
26 unlawfully restrictive covenant in violation of subdivision (l) of
27 Section 12955 may record a document titled Restrictive Covenant
28 Modification. The county recorder may choose to waive the fee
29 prescribed for recording and indexing instruments pursuant to
30 Section 27361 in the case of the modification document provided
31 for in this section. The modification document shall include a
32 complete copy of the original document containing the unlawfully
33 restrictive language with the unlawfully restrictive language
34 stricken.

35 (b) Before recording the modification document, the county
36 recorder shall submit the modification document and the original
37 document to the county counsel who shall determine whether the
38 original document contains an unlawful restriction based on race,
39 color, religion, sex, gender, gender identity, gender expression,
40 sexual orientation, familial status, marital status, disability, national

1 origin, source of income as defined in subdivision (p) of Section
2 12955, or ancestry. The county counsel shall return the documents
3 and inform the county recorder of its determination. The county
4 recorder shall refuse to record the modification document if the
5 county counsel finds that the original document does not contain
6 an unlawful restriction as specified in this paragraph.

7 (c) The modification document shall be indexed in the same
8 manner as the original document being modified. It shall contain
9 a recording reference to the original document in the form of a
10 book and page or instrument number, and date of the recording.

11 (d) Subject to covenants, conditions, and restrictions that were
12 recorded after the recording of the original document that contains
13 the unlawfully restrictive language and subject to covenants,
14 conditions, and restrictions that will be recorded after the
15 Restrictive Covenant Modification, the restrictions in the
16 Restrictive Covenant Modification, once recorded, are the only
17 restrictions having effect on the property. The effective date of the
18 terms and conditions of the modification document shall be the
19 same as the effective date of the original document.

20 (e) The county recorder shall make available to the public
21 Restrictive Covenant Modification forms.

22 (f) If the holder of an ownership interest of record in property
23 causes to be recorded a modified document pursuant to this section
24 that contains modifications not authorized by this section, the
25 county recorder shall not incur liability for recording the document.
26 The liability that may result from the unauthorized recordation is
27 the sole responsibility of the holder of the ownership interest of
28 record who caused the modified recordation.

29 (g) This section does not apply to persons holding an ownership
30 interest in property that is part of a common interest development
31 as defined in Section 4100 or 6534 of the Civil Code if the board
32 of directors of that common interest development is subject to the
33 requirements of subdivision (b) of Section 4225 or of subdivision
34 (b) of Section 6606 of the Civil Code.

35 SEC. 25. Section 53341.5 of the Government Code, as amended
36 by Section 51 of Chapter 181 of the Statutes of 2012, is amended
37 to read:

38 53341.5. (a) If a lot, parcel, or unit of a subdivision is subject
39 to a special tax levied pursuant to this chapter, the subdivider, his
40 or her agent, or representative, shall not sell, or lease for a term

exceeding five years, or permit a prospective purchaser or lessor to sign a contract of purchase or a deposit receipt or any substantially equivalent document in the event of a lease with respect to the lot, parcel, or unit, or cause it to be sold or leased for a term exceeding five years, until the prospective purchaser or lessee of the lot, parcel, or unit has been furnished with and has signed a written notice as provided in this section. The notice shall contain the heading "NOTICE OF SPECIAL TAX" in type no smaller than 8-point type, and shall be in substantially the following form. The form may be modified as needed to clearly and accurately describe the tax structure and other characteristics of districts created before January 1, 1993, or to clearly and accurately consolidate information about the tax structure and other characteristics of two or more districts that levy or are authorized to levy special taxes with respect to the lot, parcel, or unit:

NOTICE OF SPECIAL TAX
COMMUNITY FACILITIES DISTRICT NO. ____
COUNTY OF ____, CALIFORNIA

TO: THE PROSPECTIVE PURCHASER OF THE REAL
PROPERTY KNOWN AS:

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

(1) This property is subject to a special tax, that is in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the parcel. It is imposed on this property because it is a new development, and is not necessarily imposed generally upon property outside of this new development.

1 If you fail to pay this tax when due each year, the property may
2 be foreclosed upon and sold. The tax is used to provide public
3 facilities or services that are likely to particularly benefit the
4 property. YOU SHOULD TAKE THIS TAX AND THE
5 BENEFITS FROM THE FACILITIES AND SERVICES FOR
6 WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER
7 TO BUY THIS PROPERTY.

8 (2) The maximum special tax that may be levied against this
9 parcel to pay for public facilities is \$_____ during the ____-____
10 tax year. This amount will increase by ____ percent per year after
11 that (if applicable). The special tax will be levied each year until
12 all of the authorized facilities are built and all special tax bonds
13 are repaid, but in any case not after the ____-____ tax year. An
14 additional special tax will be used to pay for ongoing service costs,
15 if applicable. The maximum amount of this tax is _____ dollars
16 (\$_____) during the ____-____ tax year. This amount may increase
17 by _____, if applicable, and that part may be levied until the
18 ____-____ tax year (or forever, as applicable).

19 (3) The authorized facilities that are being paid for by the special
20 taxes, and by the money received from the sale of bonds that are
21 being repaid by the special taxes, are:

22 These facilities may not yet have all been constructed or acquired
23 and it is possible that some may never be constructed or acquired.

24 In addition, the special taxes may be used to pay for costs of the
25 following services:

26 YOU MAY OBTAIN A COPY OF THE RESOLUTION OF
27 FORMATION THAT AUTHORIZED CREATION OF THE
28 COMMUNITY FACILITIES DISTRICT, AND THAT SPECIFIES
29 MORE PRECISELY HOW THE SPECIAL TAX IS
30 APPORTIONED AND HOW THE PROCEEDS OF THE TAX
31 WILL BE USED, FROM THE _____ (name of jurisdiction) BY
32 CALLING _____ (telephone number). THERE MAY BE A
33 CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE
34 REASONABLE COST OF PROVIDING THE DOCUMENT.

35 I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS
36 NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR
37 TO ENTERING INTO A CONTRACT TO PURCHASE OR
38 SIGNING A DEPOSIT RECEIPT WITH RESPECT TO THE
39 ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND
40 THAT I (WE) MAY TERMINATE THE CONTRACT TO

1 PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS
2 AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN
3 FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY
4 GIVING WRITTEN NOTICE OF THAT TERMINATION TO
5 THE OWNER, SUBDIVIDER, OR AGENT SELLING THE
6 PROPERTY.

7
8 DATE: _____
9 _____
10 _____
11 _____

12 (b) “Subdivision,” as used in subdivision (a), means improved
13 or unimproved land that is divided or proposed to be divided for
14 the purpose of sale, lease, or financing, whether immediate or
15 future, into two or more lots, parcels, or units and includes a
16 condominium project, as defined by Section 4125 or 6542 of the
17 Civil Code, a community apartment project, a stock cooperative,
18 and a limited-equity housing cooperative, as defined in Sections
19 11004, 11003.2, and 11003.4, respectively, of the Business and
20 Professions Code.

21 (c) The buyer shall have three days after delivery in person or
22 five days after delivery by deposit in the mail of any notice required
23 by this section, to terminate his or her agreement by delivery of
24 written notice of that termination to the owner, subdivider, or agent.

25 (d) The failure to furnish the notice to the buyer or lessee, and
26 failure of the buyer or lessee to sign the notice of a special tax,
27 shall not invalidate any grant, conveyance, lease, or encumbrance.

28 (e) Any person or entity who willfully violates the provisions
29 of this section shall be liable to the purchaser of a lot or unit that
30 is subject to the provisions of this section, for actual damages, and
31 in addition thereto, shall be guilty of a public offense punishable
32 by a fine in an amount not to exceed five hundred dollars (\$500).
33 In an action to enforce a liability or fine, the prevailing party shall
34 be awarded reasonable attorney’s fees.

35 SEC. 26. Section 65008 of the Government Code, as amended
36 by Section 52 of Chapter 181 of the Statutes of 2012, is amended
37 to read:

38 65008. (a) Any action pursuant to this title by any city, county,
39 city and county, or other local governmental agency in this state
40 is null and void if it denies to any individual or group of individuals

1 the enjoyment of residence, landownership, tenancy, or any other
2 land use in this state because of any of the following reasons:

3 (1) (A) The lawful occupation, age, or any characteristic of the
4 individual or group of individuals listed in subdivision (a) or (d)
5 of Section 12955, as those bases are defined in Sections 12926,
6 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
7 Section 12955 and Section 12955.2.

8 (B) Notwithstanding subparagraph (A), with respect to familial
9 status, subparagraph (A) shall not be construed to apply to housing
10 for older persons, as defined in Section 12955.9. With respect to
11 familial status, nothing in subparagraph (A) shall be construed to
12 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the
13 Civil Code, relating to housing for senior citizens. Subdivision (d)
14 of Section 51, Section 4760, and Section 6714 of the Civil Code,
15 and subdivisions (n), (o), and (p) of Section 12955 of this code
16 shall apply to subparagraph (A).

17 (2) The method of financing of any residential development of
18 the individual or group of individuals.

19 (3) The intended occupancy of any residential development by
20 persons or families of very low, low, moderate, or middle income.

21 (b) (1) No city, county, city and county, or other local
22 governmental agency shall, in the enactment or administration of
23 ordinances pursuant to any law, including this title, prohibit or
24 discriminate against any residential development or emergency
25 shelter for any of the following reasons:

26 (A) Because of the method of financing.

27 (B) (i) Because of the lawful occupation, age, or any
28 characteristic listed in subdivision (a) or (d) of Section 12955, as
29 those characteristics are defined in Sections 12926, 12926.1,
30 subdivision (m) and paragraph (1) of subdivision (p) of Section
31 12955, and Section 12955.2 of the owners or intended occupants
32 of the residential development or emergency shelter.

33 (ii) Notwithstanding clause (i), with respect to familial status,
34 clause (i) shall not be construed to apply to housing for older
35 persons, as defined in Section 12955.9. With respect to familial
36 status, nothing in clause (i) shall be construed to affect Sections
37 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating
38 to housing for senior citizens. Subdivision (d) of Section 51,
39 Section 4760, and Section 6714 of the Civil Code, and subdivisions

1 (n), (o), and (p) of Section 12955 of this code shall apply to clause
2 (i).

3 (C) Because the development or shelter is intended for
4 occupancy by persons and families of very low, low, or moderate
5 income, as defined in Section 50093 of the Health and Safety Code,
6 or persons and families of middle income.

7 (D) Because the development consists of a multifamily
8 residential project that is consistent with both the jurisdiction's
9 zoning ordinance and general plan as they existed on the date the
10 application was deemed complete, except that a project shall not
11 be deemed to be inconsistent with the zoning designation for the
12 site if that zoning designation is inconsistent with the general plan
13 only because the project site has not been rezoned to conform with
14 a more recently adopted general plan.

15 (2) The discrimination prohibited by this subdivision includes
16 the denial or conditioning of a residential development or shelter
17 because of, in whole or in part, either of the following:

18 (A) The method of financing.

19 (B) The occupancy of the development by persons protected by
20 this subdivision, including, but not limited to, persons and families
21 of very low, low, or moderate income.

22 (3) A city, county, city and county, or other local government
23 agency may not, pursuant to subdivision (d) of Section 65589.5,
24 disapprove a housing development project or condition approval
25 of a housing development project in a manner that renders the
26 project infeasible if the basis for the disapproval or conditional
27 approval includes any of the reasons prohibited in paragraph (1)
28 or (2).

29 (c) For the purposes of this section, "persons and families of
30 middle income" means persons and families whose income does
31 not exceed 150 percent of the median income for the county in
32 which the persons or families reside.

33 (d) (1) No city, county, city and county, or other local
34 governmental agency may impose different requirements on a
35 residential development or emergency shelter that is subsidized,
36 financed, insured, or otherwise assisted by the federal or state
37 government or by a local public entity, as defined in Section 50079
38 of the Health and Safety Code, than those imposed on nonassisted
39 developments, except as provided in subdivision (e). The
40 discrimination prohibited by this subdivision includes the denial

1 or conditioning of a residential development or emergency shelter
2 based in whole or in part on the fact that the development is
3 subsidized, financed, insured, or otherwise assisted as described
4 in this paragraph.

5 (2) (A) No city, county, city and county, or other local
6 governmental agency may, because of the lawful occupation age,
7 or any characteristic of the intended occupants listed in subdivision
8 (a) or (d) of Section 12955, as those characteristics are defined in
9 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
10 subdivision (p) of Section 12955, and Section 12955.2 or because
11 the development is intended for occupancy by persons and families
12 of very low, low, moderate, or middle income, impose different
13 requirements on these residential developments than those imposed
14 on developments generally, except as provided in subdivision (e).

15 (B) Notwithstanding subparagraph (A), with respect to familial
16 status, subparagraph (A) shall not be construed to apply to housing
17 for older persons, as defined in Section 12955.9. With respect to
18 familial status, nothing in subparagraph (A) shall be construed to
19 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the
20 Civil Code, relating to housing for senior citizens. Subdivision (d)
21 of Section 51, Section 4760, and Section 6714 of the Civil Code,
22 and subdivisions (n), (o), and (p) of Section 12955 of this code
23 shall apply to subparagraph (A).

24 (e) Notwithstanding subdivisions (a) to (d), inclusive, this
25 section and this title do not prohibit either of the following:

26 (1) The County of Riverside from enacting and enforcing zoning
27 to provide housing for older persons, in accordance with state or
28 federal law, if that zoning was enacted prior to January 1, 1995.

29 (2) Any city, county, or city and county from extending
30 preferential treatment to residential developments or emergency
31 shelters assisted by the federal or state government or by a local
32 public entity, as defined in Section 50079 of the Health and Safety
33 Code, or other residential developments or emergency shelters
34 intended for occupancy by persons and families of low and
35 moderate income, as defined in Section 50093 of the Health and
36 Safety Code, or persons and families of middle income, or
37 agricultural employees, as defined in subdivision (b) of Section
38 1140.4 of the Labor Code, and their families. This preferential
39 treatment may include, but need not be limited to, reduction or
40 waiver of fees or changes in architectural requirements, site

1 development and property line requirements, building setback
2 requirements, or vehicle parking requirements that reduce
3 development costs of these developments.

4 (f) “Residential development,” as used in this section, means a
5 single-family residence or a multifamily residence, including
6 manufactured homes, as defined in Section 18007 of the Health
7 and Safety Code.

8 (g) This section shall apply to chartered cities.

9 (h) The Legislature finds and declares that discriminatory
10 practices that inhibit the development of housing for persons and
11 families of very low, low, moderate, and middle incomes, or
12 emergency shelters for the homeless, are a matter of statewide
13 concern.

14 SEC. 27. Section 66411 of the Government Code, as amended
15 by Section 55 of Chapter 181 of the Statutes of 2012, is amended
16 to read:

17 66411. Regulation and control of the design and improvement
18 of subdivisions are vested in the legislative bodies of local
19 agencies. Each local agency shall, by ordinance, regulate and
20 control the initial design and improvement of common interest
21 developments as defined in Section 4100 or 6534 of the Civil Code
22 and subdivisions for which this division requires a tentative and
23 final or parcel map. In the development, adoption, revision, and
24 application of this type of ordinance, the local agency shall comply
25 with the provisions of Section 65913.2. The ordinance shall
26 specifically provide for proper grading and erosion control,
27 including the prevention of sedimentation or damage to offsite
28 property. Each local agency may by ordinance regulate and control
29 other subdivisions, provided that the regulations are not more
30 restrictive than the regulations for those subdivisions for which a
31 tentative and final or parcel map are required by this division, and
32 provided further that the regulations shall not be applied to
33 short-term leases (terminable by either party on not more than 30
34 days’ notice in writing) of a portion of the operating right-of-way
35 of a railroad corporation as defined by Section 230 of the Public
36 Utilities Code unless a showing is made in individual cases, under
37 substantial evidence, that public policy necessitates the application
38 of the regulations to those short-term leases in individual cases.

1 SEC. 28. Section 66412 of the Government Code, as amended
2 by Section 56 of Chapter 181 of the Statutes of 2012, is amended
3 to read:

4 66412. This division shall be inapplicable to any of the
5 following:

6 (a) The financing or leasing of apartments, offices, stores, or
7 similar space within apartment buildings, industrial buildings,
8 commercial buildings, mobilehome parks, or trailer parks.

9 (b) Mineral, oil, or gas leases.

10 (c) Land dedicated for cemetery purposes under the Health and
11 Safety Code.

12 (d) A lot line adjustment between four or fewer existing
13 adjoining parcels, where the land taken from one parcel is added
14 to an adjoining parcel, and where a greater number of parcels than
15 originally existed is not thereby created, if the lot line adjustment
16 is approved by the local agency, or advisory agency. A local agency
17 or advisory agency shall limit its review and approval to a
18 determination of whether or not the parcels resulting from the lot
19 line adjustment will conform to the local general plan, any
20 applicable specific plan, any applicable coastal plan, and zoning
21 and building ordinances. An advisory agency or local agency shall
22 not impose conditions or exactions on its approval of a lot line
23 adjustment except to conform to the local general plan, any
24 applicable specific plan, any applicable coastal plan, and zoning
25 and building ordinances, to require the prepayment of real property
26 taxes prior to the approval of the lot line adjustment, or to facilitate
27 the relocation of existing utilities, infrastructure, or easements. No
28 tentative map, parcel map, or final map shall be required as a
29 condition to the approval of a lot line adjustment. The lot line
30 adjustment shall be reflected in a deed, which shall be recorded.
31 No record of survey shall be required for a lot line adjustment
32 unless required by Section 8762 of the Business and Professions
33 Code. A local agency shall approve or disapprove a lot line
34 adjustment pursuant to the Permit Streamlining Act (Chapter 4.5
35 (commencing with Section 65920) of Division 1).

36 (e) Boundary line or exchange agreements to which the State
37 Lands Commission or a local agency holding a trust grant of tide
38 and submerged lands is a party.

39 (f) Any separate assessment under Section 2188.7 of the
40 Revenue and Taxation Code.

1 (g) The conversion of a community apartment project, as defined
2 in Section 4105 of the Civil Code, to a condominium, as defined
3 in Section 783 of the Civil Code, but only if all of the following
4 requirements are met:

5 (1) The property was subdivided before January 1, 1982, as
6 evidenced by a recorded deed creating the community apartment
7 project.

8 (2) Subject to compliance with Sections 4290 and 4295 of the
9 Civil Code, all conveyances and other documents necessary to
10 effectuate the conversion shall be executed by the required number
11 of owners in the project as specified in the bylaws or other
12 organizational documents. If the bylaws or other organizational
13 documents do not expressly specify the number of owners
14 necessary to execute the conveyances and other documents, a
15 majority of owners in the project shall be required to execute the
16 conveyances or other documents. Conveyances and other
17 documents executed under the foregoing provisions shall be
18 binding upon and affect the interests of all parties in the project.

19 (3) If subdivision, as defined in Section 66424, of the property
20 occurred after January 1, 1964, both of the following requirements
21 are met:

22 (A) A final or parcel map of that subdivision was approved by
23 the local agency and recorded, with all of the conditions of that
24 map remaining in effect after the conversion.

25 (B) No more than 49 percent of the units in the project were
26 owned by any one person as defined in Section 17, including an
27 incorporator or director of the community apartment project, on
28 January 1, 1982.

29 (4) The local agency certifies that the above requirements were
30 satisfied if the local agency, by ordinance, provides for that
31 certification.

32 (h) The conversion of a stock cooperative, as defined in Section
33 4190 or 6566 of the Civil Code, to a condominium, as defined in
34 Section 783 of the Civil Code, but only if all of the following
35 requirements are met:

36 (1) The property was subdivided before January 1, 1982, as
37 evidenced by a recorded deed creating the stock cooperative, an
38 assignment of lease, or issuance of shares to a stockholder.

39 (2) A person renting a unit in a cooperative shall be entitled at
40 the time of conversion to all tenant rights in state or local law,

1 including, but not limited to, rights respecting first refusal, notice,
2 and displacement and relocation benefits.

3 (3) Subject to compliance with Sections 4290 and 4295, or with
4 Sections 6626 and 6628, of the Civil Code, all conveyances and
5 other documents necessary to effectuate the conversion shall be
6 executed by the required number of owners in the cooperative as
7 specified in the bylaws or other organizational documents. If the
8 bylaws or other organizational documents do not expressly specify
9 the number of owners necessary to execute the conveyances and
10 other documents, a majority of owners in the cooperative shall be
11 required to execute the conveyances or other documents.
12 Conveyances and other documents executed under the foregoing
13 provisions shall be binding upon and affect the interests of all
14 parties in the cooperative.

15 (4) If subdivision, as defined in Section 66424, of the property
16 occurred after January 1, 1980, both of the following requirements
17 are met:

18 (A) A final or parcel map of that subdivision was approved by
19 the local agency and recorded, with all of the conditions of that
20 map remaining in effect after the conversion.

21 (B) No more than 49 percent of the shares in the project were
22 owned by any one person as defined in Section 17, including an
23 incorporator or director of the cooperative, on January 1, 1982.

24 (5) The local agency certifies that the above requirements were
25 satisfied if the local agency, by ordinance, provides for that
26 certification.

27 (i) The leasing of, or the granting of an easement to, a parcel of
28 land, or any portion or portions thereof, in conjunction with the
29 financing, erection, and sale or lease of a wind powered electrical
30 generation device on the land, if the project is subject to
31 discretionary action by the advisory agency or legislative body.

32 (j) The leasing or licensing of a portion of a parcel, or the
33 granting of an easement, use permit, or similar right on a portion
34 of a parcel, to a telephone corporation as defined in Section 234
35 of the Public Utilities Code, exclusively for the placement and
36 operation of cellular radio transmission facilities, including, but
37 not limited to, antennae support structures, microwave dishes,
38 structures to house cellular communications transmission
39 equipment, power sources, and other equipment incidental to the

1 transmission of cellular communications, if the project is subject
2 to discretionary action by the advisory agency or legislative body.

3 (k) Leases of agricultural land for agricultural purposes. As used
4 in this subdivision, “agricultural purposes” means the cultivation
5 of food or fiber, or the grazing or pasturing of livestock.

6 (l) The leasing of, or the granting of an easement to, a parcel of
7 land, or any portion or portions thereof, in conjunction with the
8 financing, erection, and sale or lease of a solar electrical generation
9 device on the land, if the project is subject to review under other
10 local agency ordinances regulating design and improvement or, if
11 the project is subject to other discretionary action by the advisory
12 agency or legislative body.

13 (m) The leasing of, or the granting of an easement to, a parcel
14 of land or any portion or portions of the land in conjunction with
15 a biogas project that uses, as part of its operation, agricultural waste
16 or byproducts from the land where the project is located and
17 reduces overall emissions of greenhouse gases from agricultural
18 operations on the land if the project is subject to review under
19 other local agency ordinances regulating design and improvement
20 or if the project is subject to discretionary action by the advisory
21 agency or legislative body.

22 SEC. 29. Section 66424 of the Government Code, as amended
23 by Section 57 of Chapter 181 of the Statutes of 2012, is amended
24 to read:

25 66424. “Subdivision” means the division, by any subdivider,
26 of any unit or units of improved or unimproved land, or any portion
27 thereof, shown on the latest equalized county assessment roll as a
28 unit or as contiguous units, for the purpose of sale, lease, or
29 financing, whether immediate or future. Property shall be
30 considered as contiguous units, even if it is separated by roads,
31 streets, utility easement, or railroad rights-of-way. “Subdivision”
32 includes a condominium project, as defined in Section 4125 or
33 6542 of the Civil Code, a community apartment project, as defined
34 in Section 4105 of the Civil Code, or the conversion of five or
35 more existing dwelling units to a stock cooperative, as defined in
36 of Section 4190 or 6566 of the Civil Code.

37 SEC. 30. Section 66427 of the Government Code, as amended
38 by Section 58 of Chapter 181 of the Statutes of 2012, is amended
39 to read:

1 66427. (a) A map of a condominium project, a community
2 apartment project, or of the conversion of five or more existing
3 dwelling units to a stock cooperative project need not show the
4 buildings or the manner in which the buildings or the airspace
5 above the property shown on the map are to be divided, nor shall
6 the governing body have the right to refuse approval of a parcel,
7 tentative, or final map of the project on account of the design or
8 the location of buildings on the property shown on the map that
9 are not violative of local ordinances or on account of the manner
10 in which airspace is to be divided in conveying the condominium.

11 (b) A map need not include a condominium plan or plans, as
12 defined in Section 4120 or 6540 of the Civil Code, and the
13 governing body may not refuse approval of a parcel, tentative, or
14 final map of the project on account of the absence of a
15 condominium plan.

16 (c) Fees and lot design requirements shall be computed and
17 imposed with respect to those maps on the basis of parcels or lots
18 of the surface of the land shown thereon as included in the project.

19 (d) Nothing herein shall be deemed to limit the power of the
20 legislative body to regulate the design or location of buildings in
21 a project by or pursuant to local ordinances.

22 (e) If the governing body has approved a parcel map or final
23 map for the establishment of condominiums on property pursuant
24 to the requirements of this division, the separation of a
25 three-dimensional portion or portions of the property from the
26 remainder of the property or the division of that three-dimensional
27 portion or portions into condominiums shall not constitute a further
28 subdivision as defined in Section 66424, provided each of the
29 following conditions has been satisfied:

30 (1) The total number of condominiums established is not
31 increased above the number authorized by the local agency in
32 approving the parcel map or final map.

33 (2) A perpetual estate or an estate for years in the remainder of
34 the property is held by the condominium owners in undivided
35 interests in common, or by an association as defined in Section
36 4100 or 6528 of the Civil Code, and the duration of the estate in
37 the remainder of the property is the same as the duration of the
38 estate in the condominiums.

1 (3) The three-dimensional portion or portions of property are
2 described on a condominium plan or plans, as defined in Section
3 4120 or 6540 of the Civil Code.

4 SEC. 31. Section 66452.10 of the Government Code, as
5 amended by Section 59 of Chapter 181 of the Statutes of 2012, is
6 amended to read:

7 66452.10. A stock cooperative, as defined in Section 11003.2
8 of the Business and Professions Code, or a community apartment
9 project, as defined in Section 11004 of the Business and
10 Professions Code, shall not be converted to a condominium, as
11 defined in Section 783 of the Civil Code, unless the required
12 number of (1) owners and (2) trustees or beneficiaries of each
13 recorded deed of trust and mortgagees of each recorded mortgage
14 in the cooperative or project, as specified in the bylaws, or other
15 organizational documents, have voted in favor of the conversion.
16 If the bylaws or other organizational documents do not expressly
17 specify the number of votes required to approve the conversion,
18 a majority vote of the (1) owners and (2) trustees or beneficiaries
19 of each recorded deed of trust and mortgagees of each recorded
20 mortgage in the cooperative or project shall be required. Upon
21 approval of the conversion as set forth above and in compliance
22 with Sections 4290 and 4295 or Sections 6626 and 6628 of the
23 Civil Code, all conveyances and other documents necessary to
24 effectuate the conversion shall be executed by the required number
25 of owners in the cooperative or project as specified in the bylaws
26 or other organizational documents. If the bylaws or other
27 organizational documents do not expressly specify the number of
28 owners necessary to execute the conveyances or other documents,
29 a majority of owners in the cooperative or project shall be required
30 to execute the conveyances and other documents. Conveyances
31 and other documents executed under the foregoing provisions shall
32 be binding upon and affect the interests of all parties in the
33 cooperative or project. The provisions of Section 66499.31 shall
34 not apply to a violation of this section.

35 SEC. 32. Section 66475.2 of the Government Code, as amended
36 by Section 60 of Chapter 181 of the Statutes of 2012, is amended
37 to read:

38 66475.2. (a) There may be imposed by local ordinance a
39 requirement of a dedication or an irrevocable offer of dedication
40 of land within the subdivision for local transit facilities such as

1 bus turnouts, benches, shelters, landing pads, and similar items
2 that directly benefit the residents of a subdivision. The irrevocable
3 offers may be terminated as provided in subdivisions (c) and (d)
4 of Section 66477.2.

5 (b) Only the payment of fees in lieu of the dedication of land
6 may be required in subdivisions that consist of the subdivision of
7 airspace in existing buildings into condominium projects, stock
8 cooperatives, or community apartment projects, as those terms are
9 defined in Sections 4105, 4125, and 4190 or Sections 6542 and
10 6566 of the Civil Code.

11 SEC. 33. Section 13132.7 of the Health and Safety Code, as
12 amended by Section 63 of Chapter 181 of the Statutes of 2012, is
13 amended to read:

14 13132.7. (a) Within a very high fire hazard severity zone
15 designated by the Director of Forestry and Fire Protection pursuant
16 to Article 9 (commencing with Section 4201) of Chapter 1 of Part
17 2 of Division 4 of the Public Resources Code and within a very
18 high hazard severity zone designated by a local agency pursuant
19 to Chapter 6.8 (commencing with Section 51175) of Part 1 of
20 Division 1 of Title 5 of the Government Code, the entire roof
21 covering of every existing structure where more than 50 percent
22 of the total roof area is replaced within any one-year period, every
23 new structure, and any roof covering applied in the alteration,
24 repair, or replacement of the roof of every existing structure, shall
25 be a fire retardant roof covering that is at least class B as defined
26 in the Uniform Building Code, as adopted and amended by the
27 State Building Standards Commission.

28 (b) In all other areas, the entire roof covering of every existing
29 structure where more than 50 percent of the total roof area is
30 replaced within any one-year period, every new structure, and any
31 roof covering applied in the alteration, repair, or replacement of
32 the roof of every existing structure, shall be a fire retardant roof
33 covering that is at least class C as defined in the Uniform Building
34 Code, as adopted and amended by the State Building Standards
35 Commission.

36 (c) Notwithstanding subdivision (b), within state responsibility
37 areas classified by the State Board of Forestry and Fire Protection
38 pursuant to Article 3 (commencing with Section 4125) of Chapter
39 1 of Part 2 of Division 4 of the Public Resources Code, except for
40 those state responsibility areas designated as moderate fire hazard

responsibility zones, the entire roof covering of every existing structure where more than 50 percent of the total roof area is replaced within any one-year period, every new structure, and any roof covering applied in the alteration, repair, or replacement of the roof of every existing structure, shall be a fire retardant roof covering that is at least class B as defined in the Uniform Building Code, as adopted and amended by the State Building Standards Commission.

(d) (1) Notwithstanding subdivision (a), (b), or (c), within very high fire hazard severity zones designated by the Director of Forestry and Fire Protection pursuant to Article 9 (commencing with Section 4201) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code or by a local agency pursuant to Chapter 6.8 (commencing with Section 51175) of Part 1 of Division 1 of Title 5 of the Government Code, the entire roof covering of every existing structure where more than 50 percent of the total roof area is replaced within any one-year period, every new structure, and any roof covering applied in the alteration, repair, or replacement of the roof of every existing structure, shall be a fire retardant roof covering that is at least class A as defined in the Uniform Building Code, as adopted and amended by the State Building Standards Commission.

(2) Paragraph (1) does not apply to any jurisdiction containing a very high fire hazard severity zone if the jurisdiction fulfills both of the following requirements:

(A) Adopts the model ordinance approved by the State Fire Marshal pursuant to Section 51189 of the Government Code or an ordinance that substantially conforms to the model ordinance of the State Fire Marshal.

(B) Transmits, upon adoption, a copy of the ordinance to the State Fire Marshal.

(e) The State Building Standards Commission shall incorporate the requirements set forth in subdivisions (a), (b), and (c) by publishing them as an amendment to the California Building Standards Code in accordance with Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13.

(f) Nothing in this section shall limit the authority of a city, county, city and county, or fire protection district in establishing more restrictive requirements, in accordance with current law, than those specified in this section.

(g) This section shall not affect the validity of an ordinance, adopted prior to the effective date for the relevant roofing standard specified in subdivisions (a) and (b), by a city, county, city and county, or fire protection district, unless the ordinance mandates a standard that is less stringent than the standards set forth in subdivision (a), in which case the ordinance shall not be valid on or after the effective date for the relevant roofing standard specified in subdivisions (a) and (b).

(h) Any qualified historical building or structure as defined in Section 18955 may, on a case-by-case basis, utilize alternative roof constructions as provided by the State Historical Building Code.

(i) The installer of the roof covering shall provide certification of the roof covering classification, as provided by the manufacturer or supplier, to the building owner and, when requested, to the agency responsible for enforcement of this part. The installer shall also install the roof covering in accordance with the manufacturer's listing.

(j) No wood roof covering materials shall be sold or applied in this state unless both of the following conditions are met:

(1) The materials have been approved and listed by the State Fire Marshal as complying with the requirements of this section.

(2) The materials have passed at least 5 years of the 10-year natural weathering test. The 10-year natural weathering test required by this subdivision shall be conducted in accordance with standard 15-2 of the 1994 edition of the Uniform Building Code at a testing facility recognized by the State Fire Marshal.

(k) The Insurance Commissioner shall accept the use of fire retardant wood roof covering material that complies with the requirements of this section, used in the partial repair or replacement of nonfire retardant wood roof covering material, as complying with the requirement in Section 2695.9 of Title 10 of the California Code of Regulations relative to matching replacement items in quality, color, and size.

(l) No common interest development, as defined in Section 4100 or 6534 of the Civil Code, may require an owner to install or repair a roof in a manner that is in violation of this section. The governing documents, as defined in Section 4150 or 6552 of the Civil Code, of a common interest development within a very high fire severity

1 zone shall allow for at least one type of fire retardant roof covering
2 material that meets the requirements of this section.

3 SEC. 34. Section 19850 of the Health and Safety Code, as
4 amended by Section 64 of Chapter 181 of the Statutes of 2012, is
5 amended to read:

6 19850. The building department of every city or county shall
7 maintain an official copy, which may be on microfilm or other
8 type of photographic copy, of the plans of every building, during
9 the life of the building, for which the department issued a building
10 permit.

11 “Building department” means the department, bureau, or officer
12 charged with the enforcement of laws or ordinances regulating the
13 erection, construction, or alteration of buildings.

14 Except for plans of a common interest development as defined
15 in Section 4100 or 6534 of the Civil Code, plans need not be filed
16 for:

17 (a) Single or multiple dwellings not more than two stories and
18 basement in height.

19 (b) Garages and other structures appurtenant to buildings
20 described under subdivision (a).

21 (c) Farm or ranch buildings.

22 (d) Any one-story building where the span between bearing
23 walls does not exceed 25 feet. The exemption in this subdivision
24 does not, however, apply to a steel frame or concrete building.

25 SEC. 35. Section 25400.22 of the Health and Safety Code, as
26 amended by Section 65 of Chapter 181 of the Statutes of 2012, is
27 amended to read:

28 25400.22. (a) No later than 10 working days after the date
29 when a local health officer determines that property is contaminated
30 pursuant to subdivision (b) of Section 25400.20, the local health
31 officer shall do all of the following:

32 (1) Except as provided in paragraph (2), if the property is real
33 property, record with the county recorder a lien on the property.
34 The lien shall specify all of the following:

35 (A) The name of the agency on whose behalf the lien is imposed.

36 (B) The date on which the property is determined to be
37 contaminated.

38 (C) The legal description of the real property and the assessor’s
39 parcel number.

40 (D) The record owner of the property.

1 (E) The amount of the lien, which shall be the greater of two
2 hundred dollars (\$200) or the costs incurred by the local health
3 officer in compliance with this chapter, including, but not limited
4 to, the cost of inspection performed pursuant to Section 25400.19
5 and the county recorder's fee.

6 (2) (A) If the property is a mobilehome or manufactured home
7 specified in paragraph (2) of subdivision (t) of Section 25400.11,
8 amend the permanent record with a restraint on the mobilehome,
9 or manufactured home with the Department of Housing and
10 Community Development, in the form prescribed by that
11 department, providing notice of the determination that the property
12 is contaminated.

13 (B) If the property is a recreational vehicle specified in
14 paragraph (2) of subdivision (t) of Section 25400.11, perfect by
15 filing with the Department of Motor Vehicles a vehicle license
16 stop on the recreational vehicle in the form prescribed by that
17 department, providing notice of the determination that the property
18 is contaminated.

19 (C) If the property is a mobilehome or manufactured home, not
20 subject to paragraph (2) of subdivision (t) of Section 25400.11, is
21 located on real property, and is not attached to that real property,
22 the local health officer shall record a lien for the real property with
23 the county recorder, and the Department of Housing and
24 Community Development shall amend the permanent record with
25 a restraint for the mobilehome or manufactured home, in the form
26 and with the contents prescribed by that department.

27 (3) A lien, restraint, or vehicle license stop issued pursuant to
28 paragraph (2) shall specify all of the following:

29 (A) The name of the agency on whose behalf the lien, restraint,
30 or vehicle license stop is imposed.

31 (B) The date on which the property is determined to be
32 contaminated.

33 (C) The legal description of the real property and the assessor's
34 parcel number, and the mailing and street address or space number
35 of the manufactured home, mobilehome, or recreational vehicle
36 or the vehicle identification number of the recreational vehicle, if
37 applicable.

38 (D) The registered owner of the mobilehome, manufactured
39 home, or recreational vehicle, if applicable, or the name of the

1 owner of the real property as indicated in the official county
2 records.

3 (E) The amount of the lien, if applicable, which shall be the
4 greater of two hundred dollars (\$200) or the costs incurred by the
5 local health officer in compliance with this chapter, including, but
6 not limited to, the cost of inspection performed pursuant to Section
7 25400.19 and the fee charged by the Department of Housing and
8 Community Development and the Department of Motor Vehicles
9 pursuant to paragraph (2) of subdivision (b).

10 (F) Other information required by the county recorder for the
11 lien, the Department of Housing and Community Development
12 for the restraint, or the Department of Motor Vehicles for the
13 vehicle license stop.

14 (4) Issue to persons specified in subdivisions (d), (e), and (f) an
15 order prohibiting the use or occupancy of the contaminated portions
16 of the property.

17 (b) (1) The county recorder's fees for recording and indexing
18 documents provided for in this section shall be in the amount
19 specified in Article 5 (commencing with Section 27360) of Chapter
20 6 of Part 3 of Title 3 of the Government Code.

21 (2) The Department of Housing and Community Development
22 and the Department of Motor Vehicles may charge a fee to cover
23 its administrative costs for recording and indexing documents
24 provided for in paragraph (2) of subdivision (a).

25 (c) (1) A lien recorded pursuant to subdivision (a) shall have
26 the force, effect, and priority of a judgment lien. The restraint
27 amending the permanent record pursuant to subdivision (a) shall
28 be displayed on any manufactured home or mobilehome title search
29 until the restraint is released. The vehicle license stop shall remain
30 in effect until it is released.

31 (2) The local health officer shall not authorize the release of a
32 lien, restraint, or vehicle license stop made pursuant to subdivision
33 (a), until one of the following occurs:

34 (A) The property owner satisfies the real property lien, or the
35 contamination in the mobilehome, manufactured home, or
36 recreational vehicle is abated to the satisfaction of the local health
37 officer consistent with the notice in the restraint, or vehicle license
38 stop and the local health officer issues a release pursuant to Section
39 25400.27.

1 (B) For a manufactured home or mobilehome, the local health
2 officer determines that the unit will be destroyed or permanently
3 salvaged. For the purposes of this paragraph, the unit shall not be
4 reregistered after this determination is made unless the local health
5 officer issues a release pursuant to Section 25400.27.

6 (C) The lien, restraint, or vehicle license stop is extinguished
7 by a senior lien in a foreclosure sale.

8 (d) Except as otherwise specified in this section, an order issued
9 pursuant to this section shall be served, either personally or by
10 certified mail, return receipt requested, in the following manner:

11 (1) For real property, to all known occupants of the property
12 and to all persons who have an interest in the property, as contained
13 in the records of the recorder's office of the county in which the
14 property is located.

15 (2) In the case of a mobilehome or manufactured home, the
16 order shall be served to the legal owner, as defined in Section
17 18005.8, each junior lienholder, as defined in Section 18005.3,
18 and the registered owner, as defined in Section 18009.5.

19 (3) In the case of a recreational vehicle, the order shall be served
20 on the legal owner, as defined in Section 370 of the Vehicle Code,
21 and the registered owner, as defined in Section 505 of the Vehicle
22 Code.

23 (e) If the whereabouts of the person described in subdivision
24 (d) are unknown and cannot be ascertained by the local health
25 officer, in the exercise of reasonable diligence, and the local health
26 officer makes an affidavit to that effect, the local health officer
27 shall serve the order by personal service or by mailing a copy of
28 the order by certified mail, postage prepaid, return receipt
29 requested, as follows:

30 (1) The order related to real property shall be served to each
31 person at the address appearing on the last equalized tax assessment
32 roll of the county where the property is located, and to all occupants
33 of the affected unit.

34 (2) In the case of a mobilehome or manufactured home, the
35 order shall be served to the legal owner, as defined in Section
36 18005.8, each junior lienholder, as defined in Section 18005.3,
37 and the registered owner, as defined in Section 18009.5, at the
38 address appearing on the permanent record and all occupants of
39 the affected unit at the mobilehome park space.

1 (3) In the case of a recreational vehicle, the order shall be served
2 on the legal owner, as defined in Section 370 of the Vehicle Code,
3 and the registered owner, as defined in Section 505 of the Vehicle
4 Code, at the address appearing on the permanent record and all
5 occupants of the affected vehicle at the mobilehome park or special
6 occupancy park space.

7 (f) (1) The local health officer shall also mail a copy of the
8 order required by this section to the address of each person or party
9 having a recorded right, title, estate, lien, or interest in the property
10 and to the association of a common interest development, as
11 defined in Sections 4080 and 4100 or Sections 6528 and 6534 of
12 the Civil Code.

13 (2) In addition to the requirements of paragraph (1), if the
14 affected property is a mobilehome, manufactured home, or
15 recreational vehicle, specified in paragraph (2) of subdivision (t)
16 of Section 25400.11, the order issued by the local health officer
17 shall also be served, either personally or by certified mail, return
18 receipt requested, to the owner of the mobilehome park or special
19 occupancy park.

20 (g) The order issued pursuant to this section shall include all of
21 the following information:

22 (1) A description of the property.

23 (2) The parcel identification number, address, or space number,
24 if applicable.

25 (3) The vehicle identification number, if applicable.

26 (4) A description of the local health officer's intended course
27 of action.

28 (5) A specification of the penalties for noncompliance with the
29 order.

30 (6) A prohibition on the use of all or portions of the property
31 that are contaminated.

32 (7) A description of the measures the property owner is required
33 to take to decontaminate the property.

34 (8) An indication of the potential health hazards involved.

35 (9) A statement that a property owner who fails to provide a
36 notice or disclosure that is required by this chapter is subject to a
37 civil penalty of up to five thousand dollars (\$5,000).

38 (h) The local health officer shall provide a copy of the order to
39 the local building or code enforcement agency or other appropriate

1 agency responsible for the enforcement of the State Housing Law
2 (Part 1.5 (commencing with Section 17910) of Division 13).

3 (i) The local health officer shall post the order in a conspicuous
4 place on the property within one working day of the date that the
5 order is issued.

6 SEC. 36. Section 25915.2 of the Health and Safety Code, as
7 amended by Section 66 of Chapter 181 of the Statutes of 2012, is
8 amended to read:

9 25915.2. (a) Notice provided pursuant to this chapter shall be
10 provided in writing to each individual employee, and shall be
11 mailed to other owners designated to receive the notice pursuant
12 to subdivision (a) of Section 25915.5, within 15 days of the first
13 receipt by the owner of information identifying the presence or
14 location of asbestos-containing construction materials in the
15 building. This notice shall be provided annually thereafter. In
16 addition, if new information regarding those items specified in
17 paragraphs (1) to (5), inclusive, of subdivision (a) of Section 25915
18 has been obtained within 90 days after the notice required by this
19 subdivision is provided or any subsequent 90-day period, then a
20 supplemental notice shall be provided within 15 days of the close
21 of that 90-day period.

22 (b) Notice provided pursuant to this chapter shall be provided
23 to new employees within 15 days of commencement of work in
24 the building.

25 (c) Notice provided pursuant to this chapter shall be mailed to
26 any new owner designated to receive the notice pursuant to
27 subdivision (a) of Section 25915.5 within 15 days of the effective
28 date of the agreement under which a person becomes a new owner.

29 (d) Subdivisions (a) and (c) shall not be construed to require
30 owners of a building or part of a building within a residential
31 common interest development to mail written notification to other
32 owners of a building or part of a building within the residential
33 common interest development, if all the following conditions are
34 met:

35 (1) The association conspicuously posts, in each building or
36 part of a building known to contain asbestos-containing materials,
37 a large sign in a prominent location that fully informs persons
38 entering each building or part of a building within the common
39 interest development that the association knows the building
40 contains asbestos-containing materials.

1 The sign shall also inform persons of the location where further
2 information, as required by this chapter, is available about the
3 asbestos-containing materials known to be located in the building.

4 (2) The owners or association disclose, as soon as practicable
5 before the transfer of title of a separate interest in the common
6 interest development, to a transferee the existence of
7 asbestos-containing material in a building or part of a building
8 within the common interest development.

9 Failure to comply with this section shall not invalidate the
10 transfer of title of real property. This paragraph shall only apply
11 to transfers of title of separate interests in the common interest
12 development of which the owners have knowledge. As used in
13 this section, “association” and “common interest development”
14 are defined in Sections 4080 and 4100 or Sections 6528 and 6534
15 of the Civil Code.

16 (e) If a person contracting with an owner receives notice
17 pursuant to this chapter, that contractor shall provide a copy of the
18 notice to his or her employees or contractors working within the
19 building.

20 (f) If the asbestos-containing construction material in the
21 building is limited to an area or areas within the building that meet
22 all the following criteria:

23 (1) Are unique and physically defined.

24 (2) Contain asbestos-containing construction materials in
25 structural, mechanical, or building materials which are not
26 replicated throughout the building.

27 (3) Are not connected to other areas through a common
28 ventilation system; then, an owner required to give notice to his
29 or her employees pursuant to subdivision (a) of Section 25915 or
30 25915.1 may provide that notice only to the employees working
31 within or entering that area or those areas of the building meeting
32 the conditions above.

33 (g) If the asbestos-containing construction material in the
34 building is limited to an area or areas within the building that meet
35 all the following criteria:

36 (1) Are accessed only by building maintenance employees or
37 contractors and are not accessed by tenants or employees in the
38 building, other than on an incidental basis.

39 (2) Contain asbestos-containing construction materials in
40 structural, mechanical, or building materials which are not

1 replicated in areas of the building which are accessed by tenants
2 and employees.

3 (3) The owner knows that no asbestos fibers are being released
4 or have the reasonable possibility to be released from the material;
5 then, as to that asbestos-containing construction material, an owner
6 required to give notice to his or her employees pursuant to
7 subdivision (a) of Section 25915 or Section 25915.1 may provide
8 that notice only to its building maintenance employees and
9 contractors who have access to that area or those areas of the
10 building meeting the conditions above.

11 (h) In those areas of a building where the asbestos-containing
12 construction material is composed only of asbestos fibers which
13 are completely encapsulated, if the owner knows that no asbestos
14 fibers are being released or have the reasonable possibility to be
15 released from that material in its present condition and has no
16 knowledge that other asbestos-containing material is present, then
17 an owner required to give notice pursuant to subdivision (a) of
18 Section 25915 shall provide the information required in paragraph
19 (2) of subdivision (a) of Section 25915 and may substitute the
20 following notice for the requirements of paragraphs (1), (3), (4),
21 and (5) of subdivision (a) of Section 25915:

22 (1) The existence of, conclusions from, and a description or list
23 of the contents of, that portion of any survey conducted to
24 determine the existence and location of asbestos-containing
25 construction materials within the building that refers to the
26 asbestos-containing materials described in this subdivision, and
27 information describing when and where the results of the survey
28 are available pursuant to Section 25917.

29 (2) Information to convey that moving, drilling, boring, or
30 otherwise disturbing the asbestos-containing construction material
31 identified may present a health risk and, consequently, should not
32 be attempted by an unqualified employee. The notice shall identify
33 the appropriate person the employee is required to contact if the
34 condition of the asbestos-containing construction material
35 deteriorates.

36 SEC. 37. Section 33050 of the Health and Safety Code, as
37 amended by Section 68 of Chapter 181 of the Statutes of 2012, is
38 amended to read:

39 33050. (a) It is hereby declared to be the policy of the state
40 that in undertaking community redevelopment projects under this

1 part there shall be no discrimination because of any basis listed in
2 subdivision (a) or (d) of Section 12955 of the Government Code,
3 as those bases are defined in Sections 12926, 12926.1, subdivision
4 (m) and paragraph (1) of subdivision (p) of Section 12955, and
5 Section 12955.2 of the Government Code.

6 (b) Notwithstanding subdivision (a), with respect to familial
7 status, subdivision (a) shall not be construed to apply to housing
8 for older persons, as defined in Section 12955.9 of the Government
9 Code. With respect to familial status, nothing in subdivision (a)
10 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
11 and 799.5 of the Civil Code, relating to housing for senior citizens.
12 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
13 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
14 of the Government Code shall apply to subdivision (a).

15 SEC. 38. Section 33435 of the Health and Safety Code, as
16 amended by Section 69 of Chapter 181 of the Statutes of 2012, is
17 amended to read:

18 33435. (a) Agencies shall obligate lessees and purchasers of
19 real property acquired in redevelopment projects and owners of
20 property improved as a part of a redevelopment project to refrain
21 from restricting the rental, sale, or lease of the property on any
22 basis listed in subdivision (a) or (d) of Section 12955 of the
23 Government Code, as those bases are defined in Sections 12926,
24 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
25 Section 12955, and Section 12955.2 of the Government Code. All
26 deeds, leases, or contracts for the sale, lease, sublease, or other
27 transfer of any land in a redevelopment project shall contain or be
28 subject to the nondiscrimination or nonsegregation clauses hereafter
29 prescribed.

30 (b) Notwithstanding subdivision (a), with respect to familial
31 status, subdivision (a) shall not be construed to apply to housing
32 for older persons, as defined in Section 12955.9 of the Government
33 Code. With respect to familial status, nothing in subdivision (a)
34 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
35 and 799.5 of the Civil Code, relating to housing for senior citizens.
36 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
37 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
38 of the Government Code shall apply to subdivision (a).

SEC. 39. Section 33436 of the Health and Safety Code, as amended by Section 70 of Chapter 181 of the Statutes of 2012, is amended to read:

33436. Express provisions shall be included in all deeds, leases, and contracts that the agency proposes to enter into with respect to the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of any land in a redevelopment project in substantially the following form:

(a) (1) In deeds the following language shall appear—"The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51, Section 4760, and Section 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(b) (1) In leases the following language shall appear—"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

1 That there shall be no discrimination against or segregation of
2 any person or group of persons, on account of any basis listed in
3 subdivision (a) or (d) of Section 12955 of the Government Code,
4 as those bases are defined in Sections 12926, 12926.1, subdivision
5 (m) and paragraph (1) of subdivision (p) of Section 12955, and
6 Section 12955.2 of the Government Code, in the leasing,
7 subleasing, transferring, use, occupancy, tenure, or enjoyment of
8 the premises herein leased nor shall the lessee himself or herself,
9 or any person claiming under or through him or her, establish or
10 permit any such practice or practices of discrimination or
11 segregation with reference to the selection, location, number, use,
12 or occupancy, of tenants, lessees, sublessees, subtenants, or vendees
13 in the premises herein leased.”

14 (2) Notwithstanding paragraph (1), with respect to familial
15 status, paragraph (1) shall not be construed to apply to housing for
16 older persons, as defined in Section 12955.9 of the Government
17 Code. With respect to familial status, nothing in paragraph (1)
18 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
19 and 799.5 of the Civil Code, relating to housing for senior citizens.
20 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
21 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
22 of the Government Code shall apply to paragraph (1).

23 (c) In contracts entered into by the agency relating to the sale,
24 transfer, or leasing of land or any interest therein acquired by the
25 agency within any survey area or redevelopment project the
26 foregoing provisions in substantially the forms set forth shall be
27 included and the contracts shall further provide that the foregoing
28 provisions shall be binding upon and shall obligate the contracting
29 party or parties and any subcontracting party or parties, or other
30 transferees under the instrument.

31 SEC. 40. Section 35811 of the Health and Safety Code, as
32 amended by Section 72 of Chapter 181 of the Statutes of 2012, is
33 amended to read:

34 35811. (a) No financial institution shall discriminate in the
35 availability of, or in the provision of, financial assistance for the
36 purpose of purchasing, constructing, rehabilitating, improving, or
37 refinancing housing accommodations due, in whole or in part, to
38 the consideration of any basis listed in subdivision (a) or (d) of
39 Section 12955 of the Government Code, as those bases are defined
40 in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of

1 subdivision (p) of Section 12955, and Section 12955.2 of the
2 Government Code.

3 (b) Notwithstanding subdivision (a), with respect to familial
4 status, subdivision (a) shall not be construed to apply to housing
5 for older persons, as defined in Section 12955.9 of the Government
6 Code. With respect to familial status, nothing in subdivision (a)
7 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
8 and 799.5 of the Civil Code, relating to housing for senior citizens.
9 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
10 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
11 of the Government Code shall apply to subdivision (a).

12 SEC. 41. Section 37630 of the Health and Safety Code, as
13 amended by Section 73 of Chapter 181 of the Statutes of 2012, is
14 amended to read:

15 37630. (a) The local agency shall require that any property
16 that is rehabilitated with financing obtained under this part shall
17 be open, upon sale or rental of any portion thereof, to all regardless
18 of any basis listed in subdivision (a) or (d) of Section 12955 of the
19 Government Code, as those bases are defined in Sections 12926,
20 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
21 Section 12955, and Section 12955.2 of the Government Code. The
22 local agency shall also require that contractors and subcontractors
23 engaged in historical rehabilitation financed under this part provide
24 equal opportunity for employment, without discrimination as to
25 any basis listed in subdivision (a) of Section 12940 of the
26 Government Code, as those bases are defined in Sections 12926
27 and 12926.1 of the Government Code, and except as otherwise
28 provided in Section 12940 of the Government Code. All contracts
29 and subcontracts for historical rehabilitation financed under this
30 part shall be let without discrimination as to any basis listed in
31 subdivision (a) of Section 12940 of the Government Code, as those
32 bases are defined in Sections 12926 and 12926.1 of the
33 Government Code, and except as otherwise provided in Section
34 12940 of the Government Code.

35 (b) Notwithstanding subdivision (a), with respect to familial
36 status, subdivision (a) shall not be construed to apply to housing
37 for older persons, as defined in Section 12955.9 of the Government
38 Code. With respect to familial status, nothing in subdivision (a)
39 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
40 and 799.5 of the Civil Code, relating to housing for senior citizens.

1 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
2 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
3 of the Government Code shall apply to subdivision (a).

4 SEC. 42. Section 50955 of the Health and Safety Code, as
5 amended by Section 75 of Chapter 181 of the Statutes of 2012, is
6 amended to read:

7 50955. (a) The agency and every housing sponsor shall require
8 that occupancy of housing developments assisted under this part
9 shall be open to all regardless of any basis listed in subdivision (a)
10 or (d) of Section 12955 of the Government Code, as those bases
11 are defined in Sections 12926, 12926.1, subdivision (m) and
12 paragraph (1) of subdivision (p) of Section 12955, and Section
13 12955.2 of the Government Code, that contractors and
14 subcontractors engaged in the construction of housing
15 developments shall provide an equal opportunity for employment,
16 without discrimination as to any basis listed in subdivision (a) of
17 Section 12940 of the Government Code, as those bases are defined
18 in Sections 12926 and 12926.1 of the Government Code, and
19 except as otherwise provided in Section 12940 of the Government
20 Code, and that contractors and subcontractors shall submit and
21 receive approval of an affirmative action program prior to the
22 commencement of construction or rehabilitation. Affirmative action
23 requirements respecting apprenticeship shall be consistent with
24 Chapter 4 (commencing with Section 3070) of Division 3 of the
25 Labor Code.

26 All contracts for the management, construction, or rehabilitation
27 of housing developments, and contracts let by housing sponsors,
28 contractors, and subcontractors in the performance of management,
29 construction, or rehabilitation, shall be let without discrimination
30 as to any basis listed in subdivision (a) of Section 12940 of the
31 Government Code, as those bases are defined in Sections 12926
32 and 12926.1 of the Government Code, except as otherwise provided
33 in Section 12940 of the Government Code, and pursuant to an
34 affirmative action program, which shall be at not less than the
35 Federal Housing Administration affirmative action standards unless
36 the board makes a specific finding that the particular requirement
37 would be unworkable. The agency shall periodically review
38 implementation of affirmative action programs required by this
39 section.

1 It shall be the policy of the agency and housing sponsors to
2 encourage participation with respect to all projects by minority
3 developers, builders, and entrepreneurs in all levels of construction,
4 planning, financing, and management of housing developments.
5 In areas of minority concentration the agency shall require
6 significant participation of minorities in the sponsorship,
7 construction, planning, financing, and management of housing
8 developments. The agency shall (1) require that, to the greatest
9 extent feasible, opportunities for training and employment arising
10 in connection with the planning, construction, rehabilitation, and
11 operation of housing developments financed pursuant to this part
12 be given to persons of low income residing in the area of that
13 housing, and (2) determine and implement means to secure the
14 participation of small businesses in the performance of contracts
15 for work on housing developments and to develop the capabilities
16 of these small businesses to more efficiently and competently
17 participate in the economic mainstream. In order to achieve this
18 participation by small businesses, the agency may, among other
19 things, waive retention requirements otherwise imposed on
20 contractors or subcontractors by regulation of the agency and may
21 authorize or make advance payments for work to be performed.
22 The agency shall develop relevant selection criteria for the
23 participation of small businesses to ensure that, to the greatest
24 extent feasible, the participants possess the necessary nonfinancial
25 capabilities. The agency may, with respect to these small
26 businesses, waive bond requirements otherwise imposed upon
27 contractors or subcontractors by regulation of the agency, but the
28 agency shall in that case substantially reduce the risk through (1)
29 a pooled-risk bonding program, (2) a bond program in cooperation
30 with other federal or state agencies, or (3) development of a
31 self-insured bonding program with adequate reserves.

32 The agency shall adopt rules and regulations to implement this
33 section.

34 Prior to commitment of a mortgage loan, the agency shall require
35 each housing sponsor, except with respect to mutual self-help
36 housing, to submit an affirmative marketing program that meets
37 standards set forth in regulations of the agency. The agency shall
38 require each housing sponsor to conduct the affirmative marketing
39 program so approved. Additionally, the agency shall supplement

1 the efforts of individual housing sponsors by conducting affirmative
2 marketing programs with respect to housing at the state level.

3 (b) Notwithstanding subdivision (a), with respect to familial
4 status, subdivision (a) shall not be construed to apply to housing
5 for older persons, as defined in Section 12955.9 of the Government
6 Code. With respect to familial status, nothing in subdivision (a)
7 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
8 and 799.5 of the Civil Code, relating to housing for senior citizens.
9 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
10 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
11 of the Government Code shall apply to subdivision (a).

12 SEC. 43. Section 51602 of the Health and Safety Code, as
13 amended by Section 76 of Chapter 181 of the Statutes of 2012, is
14 amended to read:

15 51602. (a) The agency shall require that occupancy of housing
16 for which a loan is insured pursuant to this part shall be open to
17 all regardless of any basis listed in subdivision (a) or (d) of Section
18 12955 of the Government Code, as those bases are defined in
19 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
20 subdivision (p) of Section 12955, and Section 12955.2 of the
21 Government Code, and that contractors and subcontractors engaged
22 in the construction or rehabilitation of housing funded by a loan
23 insured pursuant to this part shall provide an equal opportunity for
24 employment without discrimination as to any basis listed in
25 subdivision (a) of Section 12940 of the Government Code, as those
26 bases are defined in Sections 12926 and 12926.1 of the
27 Government Code, and except as otherwise provided in Section
28 12940 of the Government Code.

29 (b) Notwithstanding subdivision (a), with respect to familial
30 status, subdivision (a) shall not be construed to apply to housing
31 for older persons, as defined in Section 12955.9 of the Government
32 Code. With respect to familial status, nothing in subdivision (a)
33 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
34 and 799.5 of the Civil Code, relating to housing for senior citizens.
35 Subdivision (d) of Section 51, Section 4760, and Section 6714 of
36 the Civil Code, and subdivisions (n), (o), and (p) of Section 12955
37 of the Government Code shall apply to subdivision (a).

38 (c) A qualified developer shall certify compliance with this
39 section and Section 50955 according to requirements specified by
40 the pertinent criteria of the agency.

1 SEC. 44. Section 116048 of the Health and Safety Code, as
2 amended by Section 77 of Chapter 181 of the Statutes of 2012, is
3 amended to read:

4 116048. (a) On or after January 1, 1987, for public swimming
5 pools in any common interest development, as defined in Section
6 4100 or 6534 of the Civil Code, that consists of fewer than 25
7 separate interests, as defined in Section 4185 or 6564 of the Civil
8 Code, the person operating each pool open for use shall be required
9 to keep a record of the information required by subdivision (a) of
10 Section 65523 of Title 22 of the California Administrative Code,
11 except that the information shall be recorded at least two times per
12 week and at intervals no greater than four days apart.

13 (b) On or after January 1, 1987, any rule or regulation of the
14 department that is in conflict with subdivision (a) is invalid.

15 SEC. 45. Section 790.031 of the Insurance Code, as amended
16 by Section 78 of Chapter 181 of the Statutes of 2012, is amended
17 to read:

18 790.031. The requirements of subdivision (b) of Section
19 790.034, and Sections 2071.1 and 10082.3 shall apply only to
20 policies of residential property insurance as defined in Section
21 10087, policies and endorsements containing those coverages
22 prescribed in Chapter 8.5 (commencing with Section 10081) of
23 Part 1 of Division 2, policies issued by the California Earthquake
24 Authority pursuant to Chapter 8.6 (commencing with Section
25 10089.5) of Part 1 of Division 2, policies and endorsements that
26 insure against property damage and are issued to common interest
27 developments or to associations managing common interest
28 developments, as those terms are defined in Sections 4080 and
29 4100 or Sections 6528 and 6534 of the Civil Code, and to policies
30 issued pursuant to Section 120 that insure against property damage
31 to residential units or contents thereof owned by one or more
32 persons located in this state.

33 SEC. 46. Section 2188.6 of the Revenue and Taxation Code,
34 as amended by Section 79 of Chapter 181 of the Statutes of 2012,
35 is amended to read:

36 2188.6. (a) Unless a request for exemption has been recorded
37 pursuant to subdivision (d), prior to the creation of a condominium
38 as defined in Section 783 of the Civil Code, the county assessor
39 may separately assess each individual unit which is shown on the
40 condominium plan of a proposed condominium project when all

1 of the following documents have been recorded as required by
2 law:

3 (1) A subdivision final map or parcel map, as described in
4 Sections 66434 and 66445, respectively, of the Government Code.

5 (2) A condominium plan, as defined in Section 4120 or 6540
6 of the Civil Code.

7 (3) A declaration, as defined Section 4135 or 6546 of the Civil
8 Code.

9 (b) The tax due on each individual unit shall constitute a lien
10 solely on that unit.

11 (c) The lien created pursuant to this section shall be a lien on
12 an undivided interest in a portion of real property coupled with a
13 separate interest in space called a unit as described in Section 4125
14 or 6542 of the Civil Code.

15 (d) The record owner of the real property may record with the
16 condominium plan a request that the real property be exempt from
17 separate assessment pursuant to this section. If a request for
18 exemption is recorded, separate assessment of a condominium unit
19 shall be made only in accordance with Section 2188.3.

20 (e) This section shall become operative on January 1, 1990, and
21 shall apply to condominium projects for which a condominium
22 plan is recorded after that date.

23 SEC. 47. Section 21107.7 of the Vehicle Code, as amended
24 by Section 80 of Chapter 181 of the Statutes of 2012, is amended
25 to read:

26 21107.7. (a) Any city or county may, by ordinance or
27 resolution, find and declare that there are privately owned and
28 maintained roads as described in the ordinance or resolution within
29 the city or county that are not generally held open for use of the
30 public for purposes of vehicular travel but, by reason of their
31 proximity to or connection with highways, the interests of any
32 residents residing along the roads and the motoring public will
33 best be served by application of the provisions of this code to those
34 roads. No ordinance or resolution shall be enacted unless there is
35 first filed with the city or county a petition requesting it by a
36 majority of the owners of any privately owned and maintained
37 road, or by at least a majority of the board of directors of a common
38 interest development, as defined by Section 4100 or 6534 of the
39 Civil Code, that is responsible for maintaining the road, and without
40 a public hearing thereon and 10 days' prior written notice to all

1 owners of the road or all of the owners in the development. Upon
2 enactment of the ordinance or resolution, the provisions of this
3 code shall apply to the privately owned and maintained road if
4 appropriate signs are erected at the entrance to the road of the size,
5 shape, and color as to be readily legible during daylight hours from
6 a distance of 100 feet, to the effect that the road is subject to the
7 provisions of this code. The city or county may impose reasonable
8 conditions and may authorize the owners, or board of directors of
9 the common interest development, to erect traffic signs, signals,
10 markings, and devices which conform to the uniform standards
11 and specifications adopted by the Department of Transportation.

12 (b) The department shall not be required to provide patrol or
13 enforce any provisions of this code on any privately owned and
14 maintained road subjected to the provisions of this code under this
15 section, except those provisions applicable to private property
16 other than by action under this section.

17 (c) As used in this section, “privately owned and maintained
18 roads” includes roads owned and maintained by a city, county, or
19 district that are not dedicated to use by the public or are not
20 generally held open for use of the public for purposes of vehicular
21 travel.

22 SEC. 48. Section 22651 of the Vehicle Code is amended to
23 read:

24 22651. A peace officer, as defined in Chapter 4.5 (commencing
25 with Section 830) of Title 3 of Part 2 of the Penal Code, or a
26 regularly employed and salaried employee, who is engaged in
27 directing traffic or enforcing parking laws and regulations, of a
28 city, county, or jurisdiction of a state agency in which a vehicle is
29 located, may remove a vehicle located within the territorial limits
30 in which the officer or employee may act, under the following
31 circumstances:

32 (a) When a vehicle is left unattended upon a bridge, viaduct, or
33 causeway or in a tube or tunnel where the vehicle constitutes an
34 obstruction to traffic.

35 (b) When a vehicle is parked or left standing upon a highway
36 in a position so as to obstruct the normal movement of traffic or
37 in a condition so as to create a hazard to other traffic upon the
38 highway.

39 (c) When a vehicle is found upon a highway or public land and
40 a report has previously been made that the vehicle is stolen or a

1 complaint has been filed and a warrant thereon is issued charging
2 that the vehicle was embezzled.

3 (d) When a vehicle is illegally parked so as to block the entrance
4 to a private driveway and it is impractical to move the vehicle from
5 in front of the driveway to another point on the highway.

6 (e) When a vehicle is illegally parked so as to prevent access
7 by firefighting equipment to a fire hydrant and it is impracticable
8 to move the vehicle from in front of the fire hydrant to another
9 point on the highway.

10 (f) When a vehicle, except highway maintenance or construction
11 equipment, is stopped, parked, or left standing for more than four
12 hours upon the right-of-way of a freeway that has full control of
13 access and no crossings at grade and the driver, if present, cannot
14 move the vehicle under its own power.

15 (g) When the person in charge of a vehicle upon a highway or
16 public land is, by reason of physical injuries or illness,
17 incapacitated to an extent so as to be unable to provide for its
18 custody or removal.

19 (h) (1) When an officer arrests a person driving or in control
20 of a vehicle for an alleged offense and the officer is, by this code
21 or other law, required or permitted to take, and does take, the
22 person into custody.

23 (2) When an officer serves a notice of an order of suspension
24 or revocation pursuant to Section 13388 or 13389.

25 (i) (1) When a vehicle, other than a rented vehicle, is found
26 upon a highway or public land, or is removed pursuant to this code,
27 and it is known that the vehicle has been issued five or more notices
28 of parking violations to which the owner or person in control of
29 the vehicle has not responded within 21 calendar days of notice
30 of citation issuance or citation issuance or 14 calendar days of the
31 mailing of a notice of delinquent parking violation to the agency
32 responsible for processing notices of parking violations, or the
33 registered owner of the vehicle is known to have been issued five
34 or more notices for failure to pay or failure to appear in court for
35 traffic violations for which a certificate has not been issued by the
36 magistrate or clerk of the court hearing the case showing that the
37 case has been adjudicated or concerning which the registered
38 owner's record has not been cleared pursuant to Chapter 6
39 (commencing with Section 41500) of Division 17, the vehicle may

1 be impounded until that person furnishes to the impounding law
2 enforcement agency all of the following:

3 (A) Evidence of his or her identity.

4 (B) An address within this state at which he or she can be
5 located.

6 (C) Satisfactory evidence that all parking penalties due for the
7 vehicle and all other vehicles registered to the registered owner of
8 the impounded vehicle, and all traffic violations of the registered
9 owner, have been cleared.

10 (2) The requirements in subparagraph (C) of paragraph (1) shall
11 be fully enforced by the impounding law enforcement agency on
12 and after the time that the Department of Motor Vehicles is able
13 to provide access to the necessary records.

14 (3) A notice of parking violation issued for an unlawfully parked
15 vehicle shall be accompanied by a warning that repeated violations
16 may result in the impounding of the vehicle. In lieu of furnishing
17 satisfactory evidence that the full amount of parking penalties or
18 bail has been deposited, that person may demand to be taken
19 without unnecessary delay before a magistrate, for traffic offenses,
20 or a hearing examiner, for parking offenses, within the county in
21 which the offenses charged are alleged to have been committed
22 and who has jurisdiction of the offenses and is nearest or most
23 accessible with reference to the place where the vehicle is
24 impounded. Evidence of current registration shall be produced
25 after a vehicle has been impounded, or, at the discretion of the
26 impounding law enforcement agency, a notice to appear for
27 violation of subdivision (a) of Section 4000 shall be issued to that
28 person.

29 (4) A vehicle shall be released to the legal owner, as defined in
30 Section 370, if the legal owner does all of the following:

31 (A) Pays the cost of towing and storing the vehicle.

32 (B) Submits evidence of payment of fees as provided in Section
33 9561.

34 (C) Completes an affidavit in a form acceptable to the
35 impounding law enforcement agency stating that the vehicle was
36 not in possession of the legal owner at the time of occurrence of
37 the offenses relating to standing or parking. A vehicle released to
38 a legal owner under this subdivision is a repossessed vehicle for
39 purposes of disposition or sale. The impounding agency shall have
40 a lien on any surplus that remains upon sale of the vehicle to which

1 the registered owner is or may be entitled, as security for the full
2 amount of the parking penalties for all notices of parking violations
3 issued for the vehicle and for all local administrative charges
4 imposed pursuant to Section 22850.5. The legal owner shall
5 promptly remit to, and deposit with, the agency responsible for
6 processing notices of parking violations from that surplus, on
7 receipt of that surplus, the full amount of the parking penalties for
8 all notices of parking violations issued for the vehicle and for all
9 local administrative charges imposed pursuant to Section 22850.5.

10 (5) The impounding agency that has a lien on the surplus that
11 remains upon the sale of a vehicle to which a registered owner is
12 entitled pursuant to paragraph (4) has a deficiency claim against
13 the registered owner for the full amount of the parking penalties
14 for all notices of parking violations issued for the vehicle and for
15 all local administrative charges imposed pursuant to Section
16 22850.5, less the amount received from the sale of the vehicle.

17 (j) When a vehicle is found illegally parked and there are no
18 license plates or other evidence of registration displayed, the
19 vehicle may be impounded until the owner or person in control of
20 the vehicle furnishes the impounding law enforcement agency
21 evidence of his or her identity and an address within this state at
22 which he or she can be located.

23 (k) When a vehicle is parked or left standing upon a highway
24 for 72 or more consecutive hours in violation of a local ordinance
25 authorizing removal.

26 (l) When a vehicle is illegally parked on a highway in violation
27 of a local ordinance forbidding standing or parking and the use of
28 a highway, or a portion thereof, is necessary for the cleaning,
29 repair, or construction of the highway, or for the installation of
30 underground utilities, and signs giving notice that the vehicle may
31 be removed are erected or placed at least 24 hours prior to the
32 removal by a local authority pursuant to the ordinance.

33 (m) When the use of the highway, or a portion of the highway,
34 is authorized by a local authority for a purpose other than the
35 normal flow of traffic or for the movement of equipment, articles,
36 or structures of unusual size, and the parking of a vehicle would
37 prohibit or interfere with that use or movement, and signs giving
38 notice that the vehicle may be removed are erected or placed at
39 least 24 hours prior to the removal by a local authority pursuant
40 to the ordinance.

(n) Whenever a vehicle is parked or left standing where local authorities, by resolution or ordinance, have prohibited parking and have authorized the removal of vehicles. Except as provided in subdivisions (v) and (w), a vehicle shall not be removed unless signs are posted giving notice of the removal.

(o) (1) When a vehicle is found or operated upon a highway, public land, or an offstreet parking facility under the following circumstances:

(A) With a registration expiration date in excess of six months before the date it is found or operated on the highway, public lands, or the offstreet parking facility.

(B) Displaying in, or upon, the vehicle, a registration card, identification card, temporary receipt, license plate, special plate, registration sticker, device issued pursuant to Section 4853, or permit that was not issued for that vehicle, or is not otherwise lawfully used on that vehicle under this code.

(C) Displaying in, or upon, the vehicle, an altered, forged, counterfeit, or falsified registration card, identification card, temporary receipt, license plate, special plate, registration sticker, device issued pursuant to Section 4853, or permit.

(2) When a vehicle described in paragraph (1) is occupied, only a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may remove the vehicle.

(3) For the purposes of this subdivision, the vehicle shall be released under either of the following circumstances:

(A) To the registered owner or person in control of the vehicle only after the owner or person furnishes the storing law enforcement agency with proof of current registration and a currently valid driver's license to operate the vehicle.

(B) To the legal owner or the legal owner's agency, without payment of any fees, fines, or penalties for parking tickets or registration and without proof of current registration, if the vehicle will only be transported pursuant to the exemption specified in Section 4022 and if the legal owner does all of the following:

(i) Pays the cost of towing and storing the vehicle.

(ii) Completes an affidavit in a form acceptable to the impounding law enforcement agency stating that the vehicle was not in possession of the legal owner at the time of occurrence of an offense relating to standing or parking. A vehicle released to a

1 legal owner under this subdivision is a repossessed vehicle for
2 purposes of disposition or sale. The impounding agency has a lien
3 on any surplus that remains upon sale of the vehicle to which the
4 registered owner is or may be entitled, as security for the full
5 amount of parking penalties for any notices of parking violations
6 issued for the vehicle and for all local administrative charges
7 imposed pursuant to Section 22850.5. Upon receipt of any surplus,
8 the legal owner shall promptly remit to, and deposit with, the
9 agency responsible for processing notices of parking violations
10 from that surplus, the full amount of the parking penalties for all
11 notices of parking violations issued for the vehicle and for all local
12 administrative charges imposed pursuant to Section 22850.5.

13 (4) The impounding agency that has a lien on the surplus that
14 remains upon the sale of a vehicle to which a registered owner is
15 entitled has a deficiency claim against the registered owner for the
16 full amount of parking penalties for any notices of parking
17 violations issued for the vehicle and for all local administrative
18 charges imposed pursuant to Section 22850.5, less the amount
19 received from the sale of the vehicle.

20 (5) As used in this subdivision, “offstreet parking facility” means
21 an offstreet facility held open for use by the public for parking
22 vehicles and includes a publicly owned facility for offstreet
23 parking, and a privately owned facility for offstreet parking if a
24 fee is not charged for the privilege to park and it is held open for
25 the common public use of retail customers.

26 (p) When the peace officer issues the driver of a vehicle a notice
27 to appear for a violation of Section 12500, 14601, 14601.1,
28 14601.2, 14601.3, 14601.4, 14601.5, or 14604 and the vehicle is
29 not impounded pursuant to Section 22655.5. A vehicle so removed
30 from the highway or public land, or from private property after
31 having been on a highway or public land, shall not be released to
32 the registered owner or his or her agent, except upon presentation
33 of the registered owner’s or his or her agent’s currently valid
34 driver’s license to operate the vehicle and proof of current vehicle
35 registration, to the impounding law enforcement agency, or upon
36 order of a court.

37 (q) When a vehicle is parked for more than 24 hours on a portion
38 of highway that is located within the boundaries of a common
39 interest development, as defined in Section 4100 or 6534 of the
40 Civil Code, and signs, as required by paragraph (1) of subdivision

(a) of Section 22658 of this code, have been posted on that portion of highway providing notice to drivers that vehicles parked thereon for more than 24 hours will be removed at the owner's expense, pursuant to a resolution or ordinance adopted by the local authority.

(r) When a vehicle is illegally parked and blocks the movement of a legally parked vehicle.

(s) (1) When a vehicle, except highway maintenance or construction equipment, an authorized emergency vehicle, or a vehicle that is properly permitted or otherwise authorized by the Department of Transportation, is stopped, parked, or left standing for more than eight hours within a roadside rest area or viewpoint.

(2) Notwithstanding paragraph (1), when a commercial motor vehicle, as defined in paragraph (1) of subdivision (b) of Section 15210, is stopped, parked, or left standing for more than 10 hours within a roadside rest area or viewpoint.

(3) For purposes of this subdivision, a roadside rest area or viewpoint is a publicly maintained vehicle parking area, adjacent to a highway, utilized for the convenient, safe stopping of a vehicle to enable motorists to rest or to view the scenery. If two or more roadside rest areas are located on opposite sides of the highway, or upon the center divider, within seven miles of each other, then that combination of rest areas is considered to be the same rest area.

(t) When a peace officer issues a notice to appear for a violation of Section 25279.

(u) When a peace officer issues a citation for a violation of Section 11700 and the vehicle is being offered for sale.

(v) (1) When a vehicle is a mobile billboard advertising display, as defined in Section 395.5, and is parked or left standing in violation of a local resolution or ordinance adopted pursuant to subdivision (m) of Section 21100, if the registered owner of the vehicle was previously issued a warning citation for the same offense, pursuant to paragraph (2).

(2) Notwithstanding subdivision (a) of Section 22507, a city or county, in lieu of posting signs noticing a local ordinance prohibiting mobile billboard advertising displays adopted pursuant to subdivision (m) of Section 21100, may provide notice by issuing a warning citation advising the registered owner of the vehicle that he or she may be subject to penalties upon a subsequent violation of the ordinance, that may include the removal of the vehicle as

1 provided in paragraph (1). A city or county is not required to
2 provide further notice for a subsequent violation prior to the
3 enforcement of penalties for a violation of the ordinance.

4 (w) (1) When a vehicle is parked or left standing in violation
5 of a local ordinance or resolution adopted pursuant to subdivision
6 (p) of Section 21100, if the registered owner of the vehicle was
7 previously issued a warning citation for the same offense, pursuant
8 to paragraph (2).

9 (2) Notwithstanding subdivision (a) of Section 22507, a city or
10 county, in lieu of posting signs noticing a local ordinance regulating
11 advertising signs adopted pursuant to subdivision (p) of Section
12 21100, may provide notice by issuing a warning citation advising
13 the registered owner of the vehicle that he or she may be subject
14 to penalties upon a subsequent violation of the ordinance that may
15 include the removal of the vehicle as provided in paragraph (1).
16 A city or county is not required to provide further notice for a
17 subsequent violation prior to the enforcement of penalties for a
18 violation of the ordinance.

19 SEC. 49. Section 22651.05 of the Vehicle Code, as amended
20 by Section 82 of Chapter 181 of the Statutes of 2012, is amended
21 to read:

22 22651.05. (a) A trained volunteer of a state or local law
23 enforcement agency, who is engaged in directing traffic or
24 enforcing parking laws and regulations, of a city, county, or
25 jurisdiction of a state agency in which a vehicle is located, may
26 remove or authorize the removal of a vehicle located within the
27 territorial limits in which an officer or employee of that agency
28 may act, under any of the following circumstances:

29 (1) When a vehicle is parked or left standing upon a highway
30 for 72 or more consecutive hours in violation of a local ordinance
31 authorizing the removal.

32 (2) When a vehicle is illegally parked or left standing on a
33 highway in violation of a local ordinance forbidding standing or
34 parking and the use of a highway, or a portion thereof, is necessary
35 for the cleaning, repair, or construction of the highway, or for the
36 installation of underground utilities, and signs giving notice that
37 the vehicle may be removed are erected or placed at least 24 hours
38 prior to the removal by local authorities pursuant to the ordinance.

39 (3) Wherever the use of the highway, or a portion thereof, is
40 authorized by local authorities for a purpose other than the normal

1 flow of traffic or for the movement of equipment, articles, or
2 structures of unusual size, and the parking of a vehicle would
3 prohibit or interfere with that use or movement, and signs giving
4 notice that the vehicle may be removed are erected or placed at
5 least 24 hours prior to the removal by local authorities pursuant
6 to the ordinance.

7 (4) Whenever a vehicle is parked or left standing where local
8 authorities, by resolution or ordinance, have prohibited parking
9 and have authorized the removal of vehicles. A vehicle may not
10 be removed unless signs are posted giving notice of the removal.

11 (5) Whenever a vehicle is parked for more than 24 hours on a
12 portion of highway that is located within the boundaries of a
13 common interest development, as defined in Section 4100 or 6534
14 of the Civil Code, and signs, as required by Section 22658.2, have
15 been posted on that portion of highway providing notice to drivers
16 that vehicles parked thereon for more than 24 hours will be
17 removed at the owner's expense, pursuant to a resolution or
18 ordinance adopted by the local authority.

19 (b) The provisions of this chapter that apply to a vehicle
20 removed pursuant to Section 22651 apply to a vehicle removed
21 pursuant to subdivision (a).

22 (c) For purposes of subdivision (a), a "trained volunteer" is a
23 person who, of his or her own free will, provides services, without
24 any financial gain, to a local or state law enforcement agency, and
25 who is duly trained and certified to remove a vehicle by a local or
26 state law enforcement agency.

27 SEC. 50. Section 22658 of the Vehicle Code, as amended by
28 Section 83 of Chapter 181 of the Statutes of 2012, is amended to
29 read:

30 22658. (a) The owner or person in lawful possession of private
31 property, including an association of a common interest
32 development as defined in Sections 4080 and 4100 or Sections
33 6528 and 6534 of the Civil Code, may cause the removal of a
34 vehicle parked on the property to a storage facility that meets the
35 requirements of subdivision (n) under any of the following
36 circumstances:

37 (1) There is displayed, in plain view at all entrances to the
38 property, a sign not less than 17 inches by 22 inches in size, with
39 lettering not less than one inch in height, prohibiting public parking
40 and indicating that vehicles will be removed at the owner's

1 expense, and containing the telephone number of the local traffic
2 law enforcement agency and the name and telephone number of
3 each towing company that is a party to a written general towing
4 authorization agreement with the owner or person in lawful
5 possession of the property. The sign may also indicate that a
6 citation may also be issued for the violation.

7 (2) The vehicle has been issued a notice of parking violation,
8 and 96 hours have elapsed since the issuance of that notice.

9 (3) The vehicle is on private property and lacks an engine,
10 transmission, wheels, tires, doors, windshield, or any other major
11 part or equipment necessary to operate safely on the highways,
12 the owner or person in lawful possession of the private property
13 has notified the local traffic law enforcement agency, and 24 hours
14 have elapsed since that notification.

15 (4) The lot or parcel upon which the vehicle is parked is
16 improved with a single-family dwelling.

17 (b) The tow truck operator removing the vehicle, if the operator
18 knows or is able to ascertain from the property owner, person in
19 lawful possession of the property, or the registration records of
20 the Department of Motor Vehicles the name and address of the
21 registered and legal owner of the vehicle, shall immediately give,
22 or cause to be given, notice in writing to the registered and legal
23 owner of the fact of the removal, the grounds for the removal, and
24 indicate the place to which the vehicle has been removed. If the
25 vehicle is stored in a storage facility, a copy of the notice shall be
26 given to the proprietor of the storage facility. The notice provided
27 for in this section shall include the amount of mileage on the
28 vehicle at the time of removal and the time of the removal from
29 the property. If the tow truck operator does not know and is not
30 able to ascertain the name of the owner or for any other reason is
31 unable to give the notice to the owner as provided in this section,
32 the tow truck operator shall comply with the requirements of
33 subdivision (c) of Section 22853 relating to notice in the same
34 manner as applicable to an officer removing a vehicle from private
35 property.

36 (c) This section does not limit or affect any right or remedy that
37 the owner or person in lawful possession of private property may
38 have by virtue of other provisions of law authorizing the removal
39 of a vehicle parked upon private property.

1 (d) The owner of a vehicle removed from private property
2 pursuant to subdivision (a) may recover for any damage to the
3 vehicle resulting from any intentional or negligent act of a person
4 causing the removal of, or removing, the vehicle.

5 (e) (1) An owner or person in lawful possession of private
6 property, or an association of a common interest development,
7 causing the removal of a vehicle parked on that property is liable
8 for double the storage or towing charges whenever there has been
9 a failure to comply with paragraph (1), (2), or (3) of subdivision
10 (a) or to state the grounds for the removal of the vehicle if requested
11 by the legal or registered owner of the vehicle as required by
12 subdivision (f).

13 (2) A property owner or owner's agent or lessee who causes the
14 removal of a vehicle parked on that property pursuant to the
15 exemption set forth in subparagraph (A) of paragraph (1) of
16 subdivision (l) and fails to comply with that subdivision is guilty
17 of an infraction, punishable by a fine of one thousand dollars
18 (\$1,000).

19 (f) An owner or person in lawful possession of private property,
20 or an association of a common interest development, causing the
21 removal of a vehicle parked on that property shall notify by
22 telephone or, if impractical, by the most expeditious means
23 available, the local traffic law enforcement agency within one hour
24 after authorizing the tow. An owner or person in lawful possession
25 of private property, an association of a common interest
26 development, causing the removal of a vehicle parked on that
27 property, or the tow truck operator who removes the vehicle, shall
28 state the grounds for the removal of the vehicle if requested by the
29 legal or registered owner of that vehicle. A towing company that
30 removes a vehicle from private property in compliance with
31 subdivision (l) is not responsible in a situation relating to the
32 validity of the removal. A towing company that removes the
33 vehicle under this section shall be responsible for the following:

34 (1) Damage to the vehicle in the transit and subsequent storage
35 of the vehicle.

36 (2) The removal of a vehicle other than the vehicle specified by
37 the owner or other person in lawful possession of the private
38 property.

1 (g) (1) (A) Possession of a vehicle under this section shall be
2 deemed to arise when a vehicle is removed from private property
3 and is in transit.

4 (B) Upon the request of the owner of the vehicle or that owner's
5 agent, the towing company or its driver shall immediately and
6 unconditionally release a vehicle that is not yet removed from the
7 private property and in transit.

8 (C) A person failing to comply with subparagraph (B) is guilty
9 of a misdemeanor.

10 (2) If a vehicle is released to a person in compliance with
11 subparagraph (B) of paragraph (1), the vehicle owner or authorized
12 agent shall immediately move that vehicle to a lawful location.

13 (h) A towing company may impose a charge of not more than
14 one-half of the regular towing charge for the towing of a vehicle
15 at the request of the owner, the owner's agent, or the person in
16 lawful possession of the private property pursuant to this section
17 if the owner of the vehicle or the vehicle owner's agent returns to
18 the vehicle after the vehicle is coupled to the tow truck by means
19 of a regular hitch, coupling device, drawbar, portable dolly, or is
20 lifted off the ground by means of a conventional trailer, and before
21 it is removed from the private property. The regular towing charge
22 may only be imposed after the vehicle has been removed from the
23 property and is in transit.

24 (i) (1) (A) A charge for towing or storage, or both, of a vehicle
25 under this section is excessive if the charge exceeds the greater of
26 the following:

27 (i) That which would have been charged for that towing or
28 storage, or both, made at the request of a law enforcement agency
29 under an agreement between a towing company and the law
30 enforcement agency that exercises primary jurisdiction in the city
31 in which is located the private property from which the vehicle
32 was, or was attempted to be, removed, or if the private property
33 is not located within a city, then the law enforcement agency that
34 exercises primary jurisdiction in the county in which the private
35 property is located.

36 (ii) That which would have been charged for that towing or
37 storage, or both, under the rate approved for that towing operator
38 by the Department of the California Highway Patrol for the
39 jurisdiction in which the private property is located and from which
40 the vehicle was, or was attempted to be, removed.

1 (B) A towing operator shall make available for inspection and
2 copying his or her rate approved by the California Highway Patrol,
3 if any, within 24 hours of a request without a warrant to law
4 enforcement, the Attorney General, district attorney, or city
5 attorney.

6 (2) If a vehicle is released within 24 hours from the time the
7 vehicle is brought into the storage facility, regardless of the
8 calendar date, the storage charge shall be for only one day. Not
9 more than one day's storage charge may be required for a vehicle
10 released the same day that it is stored.

11 (3) If a request to release a vehicle is made and the appropriate
12 fees are tendered and documentation establishing that the person
13 requesting release is entitled to possession of the vehicle, or is the
14 owner's insurance representative, is presented within the initial
15 24 hours of storage, and the storage facility fails to comply with
16 the request to release the vehicle or is not open for business during
17 normal business hours, then only one day's storage charge may
18 be required to be paid until after the first business day. A business
19 day is any day in which the lienholder is open for business to the
20 public for at least eight hours. If a request is made more than 24
21 hours after the vehicle is placed in storage, charges may be imposed
22 on a full calendar day basis for each day, or part thereof, that the
23 vehicle is in storage.

24 (j) (1) A person who charges a vehicle owner a towing, service,
25 or storage charge at an excessive rate, as described in subdivision
26 (h) or (i), is civilly liable to the vehicle owner for four times the
27 amount charged.

28 (2) A person who knowingly charges a vehicle owner a towing,
29 service, or storage charge at an excessive rate, as described in
30 subdivision (h) or (i), or who fails to make available his or her rate
31 as required in subparagraph (B) of paragraph (1) of subdivision
32 (i), is guilty of a misdemeanor, punishable by a fine of not more
33 than two thousand five hundred dollars (\$2,500), or by
34 imprisonment in the a county jail for not more than three months,
35 or by both that fine and imprisonment.

36 (k) (1) A person operating or in charge of a storage facility
37 where vehicles are stored pursuant to this section shall accept a
38 valid bank credit card or cash for payment of towing and storage
39 by a registered owner, the legal owner, or the owner's agent
40 claiming the vehicle. A credit card shall be in the name of the

1 person presenting the card. “Credit card” means “credit card” as
2 defined in subdivision (a) of Section 1747.02 of the Civil Code,
3 except, for the purposes of this section, credit card does not include
4 a credit card issued by a retail seller.

5 (2) A person described in paragraph (1) shall conspicuously
6 display, in that portion of the storage facility office where business
7 is conducted with the public, a notice advising that all valid credit
8 cards and cash are acceptable means of payment.

9 (3) A person operating or in charge of a storage facility who
10 refuses to accept a valid credit card or who fails to post the required
11 notice under paragraph (2) is guilty of a misdemeanor, punishable
12 by a fine of not more than two thousand five hundred dollars
13 (\$2,500), or by imprisonment in the a county jail for not more than
14 three months, or by both that fine and imprisonment.

15 (4) A person described in paragraph (1) who violates paragraph
16 (1) or (2) is civilly liable to the registered owner of the vehicle or
17 the person who tendered the fees for four times the amount of the
18 towing and storage charges.

19 (5) A person operating or in charge of the storage facility shall
20 have sufficient moneys on the premises of the primary storage
21 facility during normal business hours to accommodate, and make
22 change in, a reasonable monetary transaction.

23 (6) Credit charges for towing and storage services shall comply
24 with Section 1748.1 of the Civil Code. Law enforcement agencies
25 may include the costs of providing for payment by credit when
26 making agreements with towing companies as described in
27 subdivision (i).

28 (l) (1) (A) A towing company shall not remove or commence
29 the removal of a vehicle from private property without first
30 obtaining the written authorization from the property owner or
31 lessee, including an association of a common interest development,
32 or an employee or agent thereof, who shall be present at the time
33 of removal and verify the alleged violation, except that presence
34 and verification is not required if the person authorizing the tow
35 is the property owner, or the owner’s agent who is not a tow
36 operator, of a residential rental property of 15 or fewer units that
37 does not have an onsite owner, owner’s agent or employee, and
38 the tenant has verified the violation, requested the tow from that
39 tenant’s assigned parking space, and provided a signed request or
40 electronic mail, or has called and provides a signed request or

1 electronic mail within 24 hours, to the property owner or owner's
2 agent, which the owner or agent shall provide to the towing
3 company within 48 hours of authorizing the tow. The signed
4 request or electronic mail shall contain the name and address of
5 the tenant, and the date and time the tenant requested the tow. A
6 towing company shall obtain, within 48 hours of receiving the
7 written authorization to tow, a copy of a tenant request required
8 pursuant to this subparagraph. For the purpose of this subparagraph,
9 a person providing the written authorization who is required to be
10 present on the private property at the time of the tow does not have
11 to be physically present at the specified location of where the
12 vehicle to be removed is located on the private property.

13 (B) The written authorization under subparagraph (A) shall
14 include all of the following:

15 (i) The make, model, vehicle identification number, and license
16 plate number of the removed vehicle.

17 (ii) The name, signature, job title, residential or business address,
18 and working telephone number of the person, described in
19 subparagraph (A), authorizing the removal of the vehicle.

20 (iii) The grounds for the removal of the vehicle.

21 (iv) The time when the vehicle was first observed parked at the
22 private property.

23 (v) The time that authorization to tow the vehicle was given.

24 (C) (i) When the vehicle owner or his or her agent claims the
25 vehicle, the towing company prior to payment of a towing or
26 storage charge shall provide a photocopy of the written
27 authorization to the vehicle owner or the agent.

28 (ii) If the vehicle was towed from a residential property, the
29 towing company shall redact the information specified in clause
30 (ii) of subparagraph (B) in the photocopy of the written
31 authorization provided to the vehicle owner or the agent pursuant
32 to clause (i).

33 (iii) The towing company shall also provide to the vehicle owner
34 or the agent a separate notice that provides the telephone number
35 of the appropriate local law enforcement or prosecuting agency
36 by stating "If you believe that you have been wrongfully towed,
37 please contact the local law enforcement or prosecuting agency at
38 [insert appropriate telephone number]." The notice shall be in
39 English and in the most populous language, other than English,
40 that is spoken in the jurisdiction.

1 (D) A towing company shall not remove or commence the
2 removal of a vehicle from private property described in subdivision
3 (a) of Section 22953 unless the towing company has made a good
4 faith inquiry to determine that the owner or the property owner's
5 agent complied with Section 22953.

6 (E) (i) General authorization to remove or commence removal
7 of a vehicle at the towing company's discretion shall not be
8 delegated to a towing company or its affiliates except in the case
9 of a vehicle unlawfully parked within 15 feet of a fire hydrant or
10 in a fire lane, or in a manner which interferes with an entrance to,
11 or exit from, the private property.

12 (ii) In those cases in which general authorization is granted to
13 a towing company or its affiliate to undertake the removal or
14 commence the removal of a vehicle that is unlawfully parked within
15 15 feet of a fire hydrant or in a fire lane, or that interferes with an
16 entrance to, or exit from, private property, the towing company
17 and the property owner, or owner's agent, or person in lawful
18 possession of the private property shall have a written agreement
19 granting that general authorization.

20 (2) If a towing company removes a vehicle under a general
21 authorization described in subparagraph (E) of paragraph (1) and
22 that vehicle is unlawfully parked within 15 feet of a fire hydrant
23 or in a fire lane, or in a manner that interferes with an entrance to,
24 or exit from, the private property, the towing company shall take,
25 prior to the removal of that vehicle, a photograph of the vehicle
26 that clearly indicates that parking violation. Prior to accepting
27 payment, the towing company shall keep one copy of the
28 photograph taken pursuant to this paragraph, and shall present that
29 photograph and provide, without charge, a photocopy to the owner
30 or an agent of the owner, when that person claims the vehicle.

31 (3) A towing company shall maintain the original written
32 authorization, or the general authorization described in
33 subparagraph (E) of paragraph (1) and the photograph of the
34 violation, required pursuant to this section, and any written requests
35 from a tenant to the property owner or owner's agent required by
36 subparagraph (A) of paragraph (1), for a period of three years and
37 shall make them available for inspection and copying within 24
38 hours of a request without a warrant to law enforcement, the
39 Attorney General, district attorney, or city attorney.

1 (4) A person who violates this subdivision is guilty of a
2 misdemeanor, punishable by a fine of not more than two thousand
3 five hundred dollars (\$2,500), or by imprisonment in ~~the a~~ county
4 jail for not more than three months, or by both that fine and
5 imprisonment.

6 (5) A person who violates this subdivision is civilly liable to
7 the owner of the vehicle or his or her agent for four times the
8 amount of the towing and storage charges.

9 (m) (1) A towing company that removes a vehicle from private
10 property under this section shall notify the local law enforcement
11 agency of that tow after the vehicle is removed from the private
12 property and is in transit.

13 (2) A towing company is guilty of a misdemeanor if the towing
14 company fails to provide the notification required under paragraph
15 (1) within 60 minutes after the vehicle is removed from the private
16 property and is in transit or 15 minutes after arriving at the storage
17 facility, whichever time is less.

18 (3) A towing company that does not provide the notification
19 under paragraph (1) within 30 minutes after the vehicle is removed
20 from the private property and is in transit is civilly liable to the
21 registered owner of the vehicle, or the person who tenders the fees,
22 for three times the amount of the towing and storage charges.

23 (4) If notification is impracticable, the times for notification, as
24 required pursuant to paragraphs (2) and (3), shall be tolled for the
25 time period that notification is impracticable. This paragraph is an
26 affirmative defense.

27 (n) A vehicle removed from private property pursuant to this
28 section shall be stored in a facility that meets all of the following
29 requirements:

30 (1) (A) Is located within a 10-mile radius of the property from
31 where the vehicle was removed.

32 (B) The 10-mile radius requirement of subparagraph (A) does
33 not apply if a towing company has prior general written approval
34 from the law enforcement agency that exercises primary
35 jurisdiction in the city in which is located the private property from
36 which the vehicle was removed, or if the private property is not
37 located within a city, then the law enforcement agency that
38 exercises primary jurisdiction in the county in which is located the
39 private property.

1 (2) (A) Remains open during normal business hours and releases
2 vehicles after normal business hours.

3 (B) A gate fee may be charged for releasing a vehicle after
4 normal business hours, weekends, and state holidays. However,
5 the maximum hourly charge for releasing a vehicle after normal
6 business hours shall be one-half of the hourly tow rate charged for
7 initially towing the vehicle, or less.

8 (C) Notwithstanding any other provision of law and for purposes
9 of this paragraph, “normal business hours” are Monday to Friday,
10 inclusive, from 8 a.m. to 5 p.m., inclusive, except state holidays.

11 (3) Has a public pay telephone in the office area that is open
12 and accessible to the public.

13 (o) (1) It is the intent of the Legislature in the adoption of
14 subdivision (k) to assist vehicle owners or their agents by, among
15 other things, allowing payment by credit cards for towing and
16 storage services, thereby expediting the recovery of towed vehicles
17 and concurrently promoting the safety and welfare of the public.

18 (2) It is the intent of the Legislature in the adoption of
19 subdivision (l) to further the safety of the general public by
20 ensuring that a private property owner or lessee has provided his
21 or her authorization for the removal of a vehicle from his or her
22 property, thereby promoting the safety of those persons involved
23 in ordering the removal of the vehicle as well as those persons
24 removing, towing, and storing the vehicle.

25 (3) It is the intent of the Legislature in the adoption of
26 subdivision (g) to promote the safety of the general public by
27 requiring towing companies to unconditionally release a vehicle
28 that is not lawfully in their possession, thereby avoiding the
29 likelihood of dangerous and violent confrontation and physical
30 injury to vehicle owners and towing operators, the stranding of
31 vehicle owners and their passengers at a dangerous time and
32 location, and impeding expedited vehicle recovery, without wasting
33 law enforcement’s limited resources.

34 (p) The remedies, sanctions, restrictions, and procedures
35 provided in this section are not exclusive and are in addition to
36 other remedies, sanctions, restrictions, or procedures that may be
37 provided in other provisions of law, including, but not limited to,
38 those that are provided in Sections 12110 and 34660.

39 (q) A vehicle removed and stored pursuant to this section shall
40 be released by the law enforcement agency, impounding agency,

1 or person in possession of the vehicle, or any person acting on
2 behalf of them, to the legal owner or the legal owner's agent upon
3 presentation of the assignment, as defined in subdivision (b) of
4 Section 7500.1 of the Business and Professions Code; a release
5 from the one responsible governmental agency, only if required
6 by the agency; a government-issued photographic identification
7 card; and any one of the following as determined by the legal
8 owner or the legal owner's agent: a certificate of repossession for
9 the vehicle, a security agreement for the vehicle, or title, whether
10 paper or electronic, showing proof of legal ownership for the
11 vehicle. Any documents presented may be originals, photocopies,
12 or facsimile copies, or may be transmitted electronically. The
13 storage facility shall not require any documents to be notarized.
14 The storage facility may require the agent of the legal owner to
15 produce a photocopy or facsimile copy of its repossession agency
16 license or registration issued pursuant to Chapter 11 (commencing
17 with Section 7500) of Division 3 of the Business and Professions
18 Code, or to demonstrate, to the satisfaction of the storage facility,
19 that the agent is exempt from licensure pursuant to Section 7500.2
20 or 7500.3 of the Business and Professions Code.

21 SEC. 51. Section 13553 of the Water Code, as amended by
22 Section 84 of Chapter 181 of the Statutes of 2012, is amended to
23 read:

24 13553. (a) The Legislature hereby finds and declares that the
25 use of potable domestic water for toilet and urinal flushing in
26 structures is a waste or an unreasonable use of water within the
27 meaning of Section 2 of Article X of the California Constitution
28 if recycled water, for these uses, is available to the user and meets
29 the requirements set forth in Section 13550, as determined by the
30 state board after notice and a hearing.

31 (b) The state board may require a public agency or person
32 subject to this section to furnish any information that may be
33 relevant to making the determination required in subdivision (a).

34 (c) For purposes of this section and Section 13554, "structure"
35 or "structures" means commercial, retail, and office buildings,
36 theaters, auditoriums, condominium projects, schools, hotels,
37 apartments, barracks, dormitories, jails, prisons, and reformatories,
38 and other structures as determined by the State Department of
39 Public Health.

(d) Recycled water may be used in condominium projects, as defined in Section 4125 or 6542 of the Civil Code, subject to all of the following conditions:

(1) Prior to the indoor use of recycled water in any condominium project, the agency delivering the recycled water to the condominium project shall file a report with, and receive written approval of the report from, the State Department of Public Health. The report shall be consistent with the provisions of Title 22 of the California Code of Regulations generally applicable to dual-plumbed structures and shall include all the following:

(A) That potable water service to each condominium project will be provided with a backflow protection device approved by the State Department of Public Health to protect the agency's public water system, as defined in Section 116275 of the Health and Safety Code. The backflow protection device approved by the State Department of Public Health shall be inspected and tested annually by a person certified in the inspection of backflow prevention devices.

(B) That any plumbing modifications in the condominium unit or any physical alteration of the structure will be done in compliance with state and local plumbing codes.

(C) That each condominium project will be tested by the recycled water agency or the responsible local agency at least once every four years to ensure that there are no indications of a possible cross connection between the condominium's potable and nonpotable systems.

(D) That recycled water lines will be color coded consistent with current statutes and regulations.

(2) The recycled water agency or the responsible local agency shall maintain records of all tests and annual inspections conducted.

(3) The condominium's declaration, as defined in Section 4135 or 6546 of the Civil Code, shall provide that the laws and regulations governing recycled water apply, shall not permit any exceptions to those laws and regulations, shall incorporate the report described in paragraph (1), and shall contain the following statement:

“NOTICE OF USE OF RECYCLED WATER

1 This property is approved by the State Department of Public
2 Health for the use of recycled water for toilet and urinal
3 flushing. This water is not potable, is not suitable for indoor
4 purposes other than toilet and urinal flushing purposes, and
5 requires dual plumbing. Alterations and modifications to the
6 plumbing system require a permit and are prohibited without
7 first consulting with the appropriate local building code
8 enforcement agency and your property management company
9 or owners' association to ensure that the recycled water is not
10 mixed with the drinking water.”

11
12 (e) The State Department of Public Health may adopt regulations
13 as necessary to assist in the implementation of this section.

14 (f) This section shall only apply to condominium projects that
15 are created, within the meaning of Section 4030 or 6580 of the
16 Civil Code, on or after January 1, 2008.

17 (g) This section and Section 13554 do not apply to a pilot
18 program adopted pursuant to Section 13553.1.